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OF THE

HOUSE OF REPRESENTATIVES

FOR THE

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44TH CONGRESS, 1st Session. } HOUSE OF REPRESENTATIVES. { REPORT No. 579.

EMMA MINE INVESTIGATION.

MAY 25, 1876.—Ordered to be printed, and recommitted to the Committee on Foreign Affairs, with leave to report at any time.

Mr. HEWITT, of New York, from the Committee on Foreign Affairs, submitted the following

REPORT:

The Committee on Foreign Affairs respectfully beg leave to submit the following report:

On the 28th day of February, 1876, the House adopted a resolution in the following words, (page 1:)

Resolved, That the Committee on Foreign Affairs be authorized and instructed to inquire further into the connection of the United States minister at the Court of St. James with the Emma Mine, so called; that it have power to send for persons and papers; and leave is given to said committee to sit during the sessions of the House.

The correspondence which had taken place in reference to this subject between the Secretary of State and General Robert C. Schenck, the minister of the United States at the Court of St. James, and the communication of the Secretary of State accompanying the correspondence, had been previously referred back by the House to the committee for further consideration, (pages 4–9.)

This correspondence developed the fact that in the month of November, 1871, the American minister at the Court of St. James had become a stockholder and a director of the Emma Silver-Mining Company of London, a corporation formed in Great Britain, the country to which he was accredited, for the purchase of a mine in the United States, which he represented as envoy extraordinary and minister plenipotentiary. So far as the committee have been able to ascertain, and they believe it to be true, this is the first occasion in which a diplomatic representative of the Government of the United States has allowed himself to become associated, while acting as minister, in a private enterprise, carried on in his own country, but offered for sale in the country to which he is accredited. The questions presented, therefore, for inquiry and consideration are as follows:

1. Whether it is proper for an American minister to allow the use of his name, and consequently of his official position, for the two cannot be separated, to further the sale of American property in the open markets of the country to which he is accredited.

2. Whether his relations to the vendors of the property have been such as to cast suspicion upon his motives, and subject his action to unfavorable criticism.

3. Whether his subsequent action in connection with the company, or its shares, by dealing in them or otherwise, is compatible with the proper exercise of his diplomatic functions and the maintenance of a position of honor and usefulness at his post of duty.

If the committee are right in their view of the inquiry submitted to them, it will be seen that the question of the real value of the Emma Mine has no special bearing upon the conclusions to be reached. They

have, however, felt themselves compelled to take a large amount c testimony on this subject, because evidence bearing upon that poin had been taken prior to the arrival of General Schenck, who therefor insisted that it was necessary for his defense and vindication tha further testimony should be taken, and they were unwilling t deny to a man so long and eminent in the public service any privileg which he might feel disposed to claim. He has therefore had full lib erty to produce evidence giving the whole history of the enterprise, an the result is the volume of 879 printed pages, which is herewith sub mitted to the House as part of this report.

From this mass of evidence, it appears that in the month of April 1871, Trenor W. Park and Henry H. Baxter, both American citizens purchased one-half interest in the Emma Silver Mine, situated in th Territory of Utah, for the sum of $375,000, and subsequently one sixteenth interest at the rate of $1,500,000 for the whole mine, subjec however to the claim then in litigation of James E. Lyon, of Wisconsin for one third of the property, (page 463.) In this litigation, Lyon we represented, as counsel, by William M. Stewart, then a Senator of th United States from the State of Nevada. In August, 1871, an agreement was made between the owners of the Emma Mine, and Stewar acting as the attorney for Lyon, in pursuance of which it was agreed th the property should be offered for sale, and (page 51) the claim of Ly finally adjusted, but it was expected and represented that the amou likely to accrue to Lyon would be $500,000, as will appear from t annexed letter, which Stewart sent to Lyon at the time.

NEW YORK, *August* 5, 1871.

FRIEND LYON: Hillyer will start in about twenty minutes. He will explain to y the arrangement; it is not as good as I tried to get, but after three days of talk it w the best I could get. The plan has this advantage, that we will not be fighting fo worked-out mine. The litigation will not be injured, and if we gain the case we sh recover something, besides the right to bring other lawsuits. They have worked mine up so in England by the ore they have sent, and the manner of sending it, t I have no doubt of a sale from five to eight millions.

I have seen their correspondence with the two English houses to whom they sent ore. They are crazy about the mine. The Emma party have been working all time to put up the reputation of the mine. I have refused to give up the lawsuit u any circumstances unless you get $500,000. You will, without doubt, get that.

WM. M. STEWAR

Stewart's personal interest in the matter was to be one-fourth of amount which might be realized by Lyon. In September, Park, re senting the owners of the mine, and Stewart, representing Lyon, sa for England for the purpose of selling the property. The evidence sh that during the summer and up to this time extraordinary efforts been made to produce a large yield of ore from the mine, and that product of the four months from 1st May to 1st September (page was much larger than it had ever been before or ever was afterw All the rich ore produced was forwarded by steamers to England there sold, and the large yield and value of the ore were well kn to the mining world.

On their arrival in London, (pages 464, 465,) they were met by C. M Fisher, an American lawyer, who it is testified had done a good deal o legal business for the American legation, and whom General Schenc had known in London prior to his appointment as minister.

Fisher introduced Park & Stewart to Coates & Hankey as a firm desirous to purchase the property. A contingent arrangement was made with this firm, which subsequently fell through, but resulted in the introduction by them of Park & Stewart to Albert Grant, of the firm of Grant & Co. of London, well known for their success in bring-

ing out, or "floating," as it is called, new companies upon the English market. After some negotiation, covering the month of October, 1871, Albert Grant agreed to take up the enterprise, for reasons which he has given to the public in a circular dated January 5, 1876, which appears in full in the statement of Albert Grant attached to the evidence herewith submitted, (page 31.) In this statement, he says, after referring to the report of Professor Silliman, also included in the evidence:

Being thoroughly satisfied with this report, I made an arrangement with Messrs. Park and Stewart to aid them with my influence in obtaining the capital necessary to enable the company to acquire it, the price they required for the mine being one million sterling, half of which they stipulated to take in shares of the company.

In addition to the evidences of *bona fides* before referred to, Mr. Park informed me he had reason to hope and believe that the American minister, General Schenck, would, if requested, join the board of directors; adding that he knew something of the property, and was disposed to invest some considerable amount in its shares, and Mr. Park asked me whether this fact would be favorably looked upon. I told him that it would be very satisfactory to every one about to be connected with the company, and especially to myself, as, I added, I felt certain it would inspire confidence in the undertaking, as, from the well-known honorable character of the American minister, it was not to be supposed for a moment that he would have lent the weight of his name, given in addition to the influence of his official position, to an undertaking in the good faith of which he did not implicitly believe.

This proposal for General Schenck to join the board was conclusive to me, as it would have been to anybody else, however cautious or experienced, as to the entire trustworthiness as an honorable man of Professor Silliman; of the good faith and respectability of Messrs. Park and Stewart, who were themselves to join the board, and, as I believed, entirely covering any moral responsibility I might assume in using the influence of my position to assist the vendors in obtaining the capital for the company. That was my fixed opinion then; it is not less my fixed opinion now.

It will thus be seen that Albert Grant alleges that he was induced to undertake "to float" the company upon the English market, because the American minister had agreed "to join the board of directors," and to lend "the weight of his name, given in addition to the influence of his *official position*," to the undertaking. The evidence goes to show also clearly, but not of course absolutely, that no one else but Grant & Co. could have successfully sold a mine at that time in the English market, which was not then favorable for the sale of mining property. Park, however, swears that the arrangement with Grant was verbally completed before he applied to General Schenck to become a director, although he had previously agreed to take stock; but he admits that the contract with Grant & Co. was not signed until after he had procured the consent of General Schenck to join the board of directors, (page 650.) It would seem therefore that Grant is sustained in his statement that he did not finally decide to engage in the enterprise until he had satisfactory assurances that Schenck would become a director.

The contract with Grant & Co. is given at length in the evidence, (page 252.) It provides that the property shall be capitalized at £1,000,000, half of which is to be offered to the public at par in £20 shares, and the other half of the shares are to be retained by the vendors for nine months, unless Grant & Co. should consent to their sale at an earlier date. Grant & Co. were to receive as compensation for "promoting" the company 20 per cent., equal to £100,000, on the sale of the first half of the shares, and one-half of the profits realized upon the sale of the second half retained by the vendors. Grant & Co. were authorized to "sustain the market" pending the allotment by the purchase of shares at a premium for the account of the vendors.

Thereupon a prospectus, dated November 9, 1871, (pages 69–74,) was issued, inviting proposals for the stock from the public until the 16th November, when it appears that shares were applied for largely in excess of the whole number advertised to be sold. This prospectus con-

tains a list of directors, among which is the name of "Major-Genera Robert C. Schenck, United States minister, London," and in the body o the prospectus occurs the following paragraph:

Major-General Schenck, on account of the *exceptional character of the undertaking*, h consented to act as one of the directors.

The prospectus contains a very full statement of the property sol and the resources in hand available for cash dividends, affirming tha these are sufficient to warrant cash dividends at the rate of 1½ per cen per month for twelve months.

In addition to these resources, the prospectus asserts that "the min includes about 13,250 tons of first-class ore, already developed in var ous parts of the mine, and described in Professor Silliman's report the estimated net value of £357,750.

The prospectus then states:

From the above arrangements and details will be seen the extraordinary charact of the property that will be acquired by the company, and in what a totally differe character the Emma Mine stands to almost every mine in which the public have be allowed to participate by subscription.

For this statement every director, including the American ministe was responsible, so far as his character and judgment were concerned.

If this statement had been true, then the resources "already dev oped" were sufficient for two years' additional dividends at the rate 18 per cent. per annum, thus securing from both sources to the stoc holders 54 per cent. of the purchase-money, without any further pro uct whatever beyond the reserves already developed.

The evidence shows (page 696) that dividends at the rate of 1½ per cen per month were paid for thirteen months consecutively, until Decembe 1872, since when no dividends have been earned or paid, and there is n money on hand out of which they can be paid, and there is no ore sight which can be mined, all the ore in the old workings having bee absolutely exhausted, and no new ore developed by the subsequent e ploratic ns. Of the dividends paid, £36,000 were advanced on sales ore by Mr. Park, (pages 554, 656,) who is now suing the company for balance of about £25,000 thereof, so that the net amount of earnin actually divided was £170,000.

On inquiry by the committee, Mr. Park professed his inability to a count for the disappearance of the reserves, alledging as a reas that he had been refused access to the mine, and no satisfactory (pa 657) evidence was presented to the committee as to what had become the remainder of the available resources, estimated in the prospectus be of the total value of £539,050, or of the large quantity of ore whic ought to have been found during the years 1872 and 1873, during whic mining operations were steadily prosecuted.

The result is that the shares have greatly depreciated in value, havi fallen from £32 per share, at which they were sold May 11, 1872, to £1 5*s.*, which they are now quoted. The mine itself is still in the possession of t company, but the personal property has all been sold under executi issued in favor of Mr. Park, and has been purchased by him, and is no in his possession. Great losses and consequent distress have thus fall upon a large number of innocent people, who, believing in these rep sentations, had subscribed for the shares; and probably no failure recent date has caused more general denunciation and brought mo odium to its authors than this unfortunate enterprise.

Such briefly is the skeleton history of the Emma Silver-Mining Co pany of London, as developed by the evidence submitted to the co mittee.

The history of General Schenck's connection with this company, as disclosed by the evidence, would appear to be as follows:

About the middle of October, 1871, (pages 281–286,) General Schenck made the acquaintance of Park, in company with Stewart, whom he had previously well known in the United States. The object of their visit to England was mentioned, and a conversation ensued upon the subject, which led Stewart to suggest to General Schenck that he should purchase shares in the company about to be formed. On Schenck's reply that he had no means to invest, Stewart suggested that "Park, owning a great many of the shares, and being a man of wealth, could assist him if he was so disposed;" and accordingly Park proposed to Schenck that he should become a subscriber in the company about to be formed to the extent of five hundred shares of the value at cost of £10,000, with the understanding that General Schenck would not be required to provide any money, but that Park would let him have the amount for one year without interest. As a further inducement for General Schenck to take the stock, Park guaranteed that the dividends thereon should amount to 2 per cent. per month while held by said Schenck; and that he would at any time, on the request of Schenck, take back the shares at the par value thereof. It was further provided that Park might relieve himself from this guarantee at any time by offering to take back the shares at their par value, (see documents, page 280.) The practical result of this agreement was to give to General Schenck a bonus (page 647) of 24 per cent. on the stock subscribed by him, because the note which he gave in payment for the stock was made payable in one year and bore no interest. By a subsequent arrangement, the dividends guaranteed were reduced to 1½ per cent., thus reducing the bonus to 18 per cent. on the amount of the purchase. In addition to the note given in accordance with this agreement, Schenck also agreed to assign to Park, as security for the payment of the note, four hundred and seventy-five shares of the said stock, and, if required by said Park, to give him a mortgage on certain real estate in the city of Washington; but the stock was not so assigned, and the mortgage was never given for any such purpose, although it was subsequently given to secure a loan of $15,000 made in 1874 by Park to Schenck. It is to be observed that the note, the guarantee of Park to Schenck, and the stipulation for security from Schenck to Park, all bear date upon the *same day*, November 1, 1871, and Park and Schenck both swear that they were executed on the day they were dated. Lyon, on the other hand, swears that Park told him that the note and the papers were signed at a subsequent date after the report reached London of the introduction of a resolution of inquiry into the Senate of the United States. The committee merely call attention to the fact that while Schenck purchased five hundred shares of stock, he only agreed to assign four hundred and seventy-five shares to Park as security, leaving twenty-five shares unassigned; these twenty-five shares were sold by General Schenck, as an act of personal friendship, to Mrs. Fannie Bates, then residing in Paris. The date of this sale (page 292) is on the 1st of January, 1872, and the money arising from it, £500, is indorsed upon Schenck's note to Park on the 8th of January, 1872; and the actual transfer of the stock to Mrs. Bates appears to have been made on the 31st of January, 1872. Now, if the documents between Park and Schenck were really signed on the 1st of November, 1871, then General Schenck must have had an understanding with Mrs. Bates prior to that date that she was to have twenty-five shares of stock. Of this there is no evidence whatever, and considering that the contract, (to use General Schenck's language,) "was made on the last days of

October, reduced to writing and closed on the 1st day of November that no company had yet been formed," it raises a strong doubt as whether all the papers were executed upon the day when they bear dat The probability would rather be, though it may have been forgotte by General Schenck, that the note and the guarantee of Park we first executed, and the stipulation of Schenck to give security w executed at a later date. This view is confirmed by the letter of resi nation of General Schenck, dated December 6, in which he says: " still hold all the shares I have been able to take;" and by the stateme of his counsel, (page 17,) speaking of the resignation on the 6th December: "He retained his original shares, with the exception twenty-five shares, soon afterward disposed of to a friend." It also to be observed that the note was not stamped, an omissi which neither Park nor General Schenck appear to have observe The suggestion that General Schenck should become a director of t company is said by him to have been made either by Stewart or Pa within a day or two after the execution of these papers. Stewart sa that the proposition was made in the following language, (page 161 "General, why cannot you be one of the directors? They have a sala connected with each directorship; it is $2,500 a year; that will be wor something to you, and you will have plenty of time to attend to i Schenck replied: "I have not thought of doing any such thing as tha but I will think about it." On page 162, Stewart says that the on "consideration we suggested in connection with it was the salary would get if he became a director, that is $2,500, which the rest of the were to receive."

Schenck and Park do not appear to remember that the salary arg ment was used. Schenck says, (page 281:)

Arguments were presented to me why I should be a manager. It was stated t Park and Stewart and Mr. Baxter would be American directors, but that they wan somebody that would be in London, who was an American, to represent, and in so sense, if need be, to protect, American interests. That seemed to be a very plausi reason, but I still objected, and I placed my objection first upon the ground tha doubted the propriety of my having anything to do with the management of a co pany while I was there in a representative capacity, and that I certainly should have anything to do with it unless I should first be satisfied that there were pre dents for anything of that kind, or that it was not deemed proper by some pers whom I might consult upon the subject, and whose judgment might help to influe mine.

General Schenck did not consult the Secretary of State on the subje but says (page 282) that he made inquiry of Mr. Moran, the secretary legation; but Mr. Moran does not appear to have given any opinion a the propriety of the American minister becoming a director in the Em Mining Company, but only as to the character and standing of English gentlemen to be associated in the direction. General Schenc scruples appear to have been removed by the fact that the Duke Saldanha, the Portuguese minister resident in London, was adverti as a director in a prospectus offering for sale the shares of the "Lis Tramway Company." This was one of the companies "floated" Albert Grant, and was for the sale of a concession made to the Duke Saldanha himself. As this prospectus was published on the 7th July, 1871, these facts might have readily been ascertained, (page 2

Mr. Park's statement as to the motives which induced him to u General Schenck to become a director are given on page 646 as lows:

I wanted to assist General Schenck, to be friendly with him, and I wanted to h his name connected with it. I wanted to have somebody in England on whom I co rely, and with whom I could correspond, and who would hold a large interest in

He said that if he took the stock he would hold it as an investment. I was a total stranger in London when I went there, and I did not want to go away, leaving no American behind me who was interested in the mine to look after my interest.

Q. Didn't you consider it a very desirable thing to have the American minister a director in the company?—A. I did.

Q. Did you not, therefore, make to him the proposition to take stock on terms which you did not offer to any one else?—A. I did not make any offer to anybody else.

Q. What was your motive in offering him better terms than anybody else got?—A. Because I wanted him in the company for reasons I have given.

Q. Because he was the American minister?—A. Not solely for that.

Q. That was one element in it?—A. That was one element in it, of course. He was not only an honest man, but a prominent man, a man who was well known, who was prominently connected with the Government for many years, and who is now known as the American minister. His name connected with any enterprise would, of course, add strength to it. There is no doubt about that. But I deny that that was my sole purpose. This is not the first instance of my doing the same thing. I could name numerous instances where I did the same thing with other parties, but not in the Emma Mine.

The reasonable conclusion from this evidence is that it was deemed by Park and Stewart most important to identify the American minister with the sale and management of the company, and that inducements were held out to him to secure his consent to become a stockholder which were not offered to any other director. There is nothing, however, in the evidence to show that General Schenck knew or suspected that any fraud was intended or about to be perpetrated upon the public, or that his official position was to be used to insure the successful perpetration of a fraud, if any were intended. On the contrary, all the evidence goes to show that he had formed the most favorable opinion of the mine and had absolute faith in its value; and indeed it is impossible to believe, under any circumstances however suspicious, that a man of General Schenck's eminent position would deliberately lend himself to the sale of a "worked-out" mine at a fictitious value, when the discovery of its worthlessness must follow so soon upon the heels of the authors of the fraud, and consign him to everlasting infamy. But to a man of less confiding nature, the offer to sell the stock upon credit without the payment of any money, the guarantee of high dividends without the payment of any interest on the loan, the indemnity against ultimate loss by agreeing to take back the stock at any time at par, ought to have put him on his guard against the dangers of a connection with associates who made such tempting and such unusual offers.

Moreover, a more critical examination of the documents which were submitted to him would have enabled him to have discovered a discrepancy which should have kept him from giving the weight of his name to the prospectus in which he appeared as the American minister.

In the statement by Mr. Park to Coates and Hankey at the time when General Schenck's attention was first directed to the property (page 468) occurs the following item: "Profit on 5,638 tons produced by present owners (who purchased April 25, 1871) up to September 1, 1871, £158,268," or at the rate of £450,200 per annum.

In the prospectus, (page 71,) in which General Schenck's name appears as a director, is the following paragraph:

Net amount produced: Total estimated net yield of mine from 1st May to 1st September, equal to four months' working, £231,059, or at the rate of nearly £700,000 per annum. (See page 746.)

It is probable that General Schenck's attention was not attracted to this discrepancy; but it serves to show the danger of a departure by a public officer from the legitimate sphere of his official duties into the region of private business and speculation.

General Schenck testifies that he had doubts as to the propriety of identifying himself with a commercial or speculative company; but it does not seem to have occurred to him that these doubts could have been resolved without risk to his character and official position by referring to the standard authorities on international law, or to his colleagues in the diplomatic corps, or by consulting his Government at home, from whom he could have had an answer within twenty-four hours; but he seems rather to have listened to the seductive arguments of those immediately about him, more concerned for their own profit than for his reputation, and holding out inducements to him which should have made him doubly cautious as to the nature of his decision.

Having thus placed himself in a false position with his own government by identifying himself with a private enterprise in regard to which he himself had grave scruples, without consultation with the Secretary of State, and having accepted pecuniary favors from the vendors of the property, which disqualified him on moral grounds from assuming the duties of a trustee, he, nevertheless, did, in advance of the sale of the stock, become a director of the proposed company, and, therefore, as the agent of the vendors, joined in the invitation to the public to subscribe for its shares, (pages 312, 313,) without informing the subscribers that his dividends had been guaranteed to him, and that his shares had been procured by previous arrangement, without any risk of loss to himself, from the fact that one of the vendors had agreed to take the shares off his hands at any time at their original cost. He thus placed himself in a further false position with the public, for the reason that he could make a profit only by the successful issue of the shares, whether they should prove permanently valuable or not, while the public were sure to make a loss in case the representations of the prospectus should prove to be fallacious, while he could make no loss. He was in fact in the position not merely of a vendor, refraining from the publication of facts which might have been important for the buyer to know, but of a trustee bound by the obligations of his trust, to inform those for whom he proposed to act of his true position in reference to the enterprise.

In the recent case of Tooke *vs.* McDougall, as reported in the London Daily Telegraph May 3, 1876, having reference to the Emma Mine, Mr. Justice Grove uses the following language upon this point:

> He could not understand with what justice, unless by a public and open vote of the company, money was given to the directors—that money or shares should be given to persons in order to induce them to be directors, and to let their names be exhibited upon the prospectus. He did not consider this a proper thing, though he believed it was frequently done by men who were called honorable. The reason why the public attached faith to the names of directors was that they were led to believe that they were men who had invested their own money in the concern, and were persons upon whose judgment and position reliance could be placed; but if the directors had had their qualifications found for them, then the transaction was not a real one, and any faith which the public might attach to the names of the directors would be misplaced.

Throughout all his testimony, General Schenck seemed to be perfectly unconscious, (page 313,) of the impropriety of this action, and seemed to regard it as a matter purely personal to himself and Mr. Park, in which the other shareholders and directors could have no concern; but when it is remembered that the name of the American minister is not only put forth in the prospectus as a director, but as a voucher of the "*exceptional charactre*" of the property, and that according to his own statement it is manifest he subscribed publicly for £10,000 of the stock, apparently upon the same terms as the other subscribers, but in reality upon a private arrangement, previously made with the vendors, in which he put no money at risk, and was absolutely guaranteed

against loss, it cannot be denied that he occupied a position which cannot be defended. It is no answer to this statement that General Schenck did, in reality, lose money by the operation. If he did so, it was because in the hope of making a greater profit, he refused to take the profit which he might have had at the time when Park offered to relieve him of the stock in accordance with the terms of the guarantee, (page 27.)

As a matter of course, a high functionary who had thus placed himself in a false position with his own government, and with the people of the country to which he was accredited, must have expected that his action would not long pass without adverse criticism; but General Schenck appears to have thought it very unreasonable, for he says, on page 287:

It was not long after this that some comment was made in the city upon my being a member of a board of directors of a company which was offering a property on that market. It annoyed me, as you may very well understand, very much, to see that these criticisms were made in the papers. * * When I saw this comment, I made up my mind at once that perhaps I had committed myself to be drawn into what was a mistake in consenting, under any circumstances, to be one of the managers of the company.

Thereupon he sent the following telegram to the Secretary of State:

FISH, *Secretary of State, Washington:*

Am surprised and pained by telegrams from United States, published here, regarding my connection with Emma Mine. Have no pecuniary interest except some shares, for which, after investigation fully, I paid dollar for dollar. Having thus decided and raised means to invest, was solicited by respectable Americans to act with gentlemen of known high character as director, to protect their interest and my own in what I believe very valuable property. Perhaps made mistake. Want only honorably and usefully to serve my Government and countrymen, but have not deemed it wrong to try to make something honestly for myself and family. Will withdraw from board or do whatever you advise. Will not embarrass administration.

SCHENCK, *London.*

Received 4.30 p. m., November 27, 1871.

It will be observed that General Schenck here alleges that for the shares which he held he had paid "dollar for dollar;" "that he had raised means to invest," in other words, that he had made a purchase of stock for cash.

The truth is, as appears by his own testimony, (page 310,) that he had never paid one dollar in money for the stock, but had given his note to Mr. Park for the whole amount in advance of the issue of the prospectus. It is also apparent from his own statement that he had in fact no money which he could invest in the purchase of this stock; that it was in reality a speculation for which he borrowed from the vendor the entire amount of the purchase-money in the expectation of making a profit out of the rise of the stock, but was guaranteed against loss in case it should fall in the open market. In this respect, therefore, the telegram was not an accurate statement of the facts. The statement that he "was solicited by respectable Americans to act with gentlemen of known high character as director" was also incomplete in not stating that these "respectable Americans" were the vendors of the property, who had loaned him the means to invest.

To this telegram General Schenck received the following reply on the next day:

DEPARTMENT OF STATE,
Washington, December 28, 1871.

SCHENCK, *Minister, London:*

Although a public officer, you have the full right of every citizen to be a shareholder, and to invest your money in such honest enterprises as you think proper, and neither the Government nor the public have any right to criticise or to censure you for so doing.

The advertisement of the name of a diplomatic representative of the Government as a director of a company seeking to dispose of its shares in the country to which he is accredited, is ill-advised and unfortunate, and is calculated to subject him to criticism; but it is assumed that the advertisement of the mining company in the London journals was not your act, but that of the agents of the company without consultation with you.

You are earnestly advised to withdraw your name from the management of the company.

FISH, *Secretary.*

It is to be observed that the Secretary of State affirms the full right of General Schenck to "invest his money in honest enterprises," but distinctly disapproves the connection "of a diplomatic representative of the Government as a director of a company seeking to dispose of its shares in the country to which he is accredited;" that he characterizes the advertisement of such connection as a director as "ill-advised and unfortunate, and calculated to subject him to criticism;" and that he assumes that the advertisement in the London journals was not the act of General Schenck, but that of the agents of the company, without consultation with him. The testimony of General Schenck shows that this was not the fact, but that the prospectus was issued and advertised with his full knowledge and consent. The disapproval of the Secretary of State was, therefore, by implication, full and conclusive. Finally General Schenck is earnestly advised to withdraw his name from the management of the company. This dispatch of the Secretary of State is, therefore, the official disapproval by the Government of the action of its representative in England in connecting himself as a director of a company seeking to sell its shares in England, and left but one course open to General Schenck, either to resign as minister or to resign as director. The formal resignation of General Schenck as a director was sent in on the 6th of December, 1871, but was not made public, nor, so far as the dispatches show, communicated to the Secretary of State until the 12th of January following. This delay in the publication was certainly unfortunate, as it left General Schenck under the imputation of playing into the hands of those who were speculating in the stock and were interested in maintaining its market-value. The letter of resignation, as finally sent in, was in the following form:

The Times, Friday, January 12, 1872.—*Extract.*

LONDON, *December* 6, 1871.

DEAR SIR: I hereby resign my place as a director of the Emma Silver-Mining Company, and request you to communicate this notice of the fact to the board at their next meeting.

In thus withdrawing from the trust reposed in me, I desire to express to my associates in the management of the company my sincere and high appreciation of each and every one of them as gentlemen of distinguished position and character, with whom it has been to me a pleasure to be connected.

My resignation is upon grounds purely personal to myself. In consenting to become a director, I know that I but exercised a private and individual right, in no way incompatible with public or official duty; but I prefer to take away from some who have criticised me even a pretext for their comments or attacks. I beg, therefore, to record my assurance to you and other members of the board that I continue to have the fullest confidence in the value and profitableness of the property they have in charge, in which I still hold all the shares I have been able to take.

I am, very respectfully, your obedient servant,

ROBT. C. SCHENCK.

GEORGE ANDERSON, ESQ., M. P.,
Chairman, &c.

This letter, written in consequence of the official advice of the Secretary of State, and upon the ground that it was not compatible with the official duties of the American minister to remain as a director, assert

that the resignation is upon grounds purely personal to General Schenck, and that in consenting to become a director he knew that he but exercised a "*private and individual right in no way incompatible with public or official duty.*" This statement appears to your committee to be a flat contradiction of the position asserted in the dispatch of the Secretary of State, that such connection was "ill-advised and unfortunate," and that the advertisement, if made with his knowledge and consent, could not be approved. But the letter of resignation goes still further in violation of the fundamental doctrine as to the duty and conduct of diplomatic representatives, upon which the dispatch of the Secretary of State is based, which evidently is, that it is not becoming in an American minister to take any action to promote or further the sale of shares of a company in the country to which he is accredited. This sound principle is clearly violated when General Schenck took occasion in his letter of resignation to express his "sincere and high appreciation of each and every one of" the directors "as gentlemen of distinguished position and character, with whom it has been to me a pleasure to have been connected," and to state further that "I continue to have the fullest confidence in the value and profitableness of the property they have in charge, in which I still hold all the shares I have been able to take." Here is a distinct indorsement of the character of the American directors, who were the vendors of the property, Messrs. Park, Stewart, and Baxter, and the renewed expression of confidence in the value of the mine. The testimony shows that the form of this letter was the subject of discussion between General Schenck and Mr. Park, and that it was modified in accordance with suggestions made by the latter. (Pages 336, 348, 806, 808, 832.)

The natural and straightforward course was for General Schenck to have informed the board, in such language as he might have chosen to adopt, that he had consulted with his Government as to the propriety of remaining in the board, and had been advised to withdraw, and accordingly tendered his resignation. He did, however, just the opposite; he asserted that his resignation was the result of personal consideration; and in re-indorsing the vendors and the property, he aggravated the offense which had been condemned by the Secretary of State. A copy of this letter of resignation reached the State Department in the month of January, 1872, and, so far as the correspondence submitted to the committee shows, the matter was there dropped.

With regard to the preparation of this letter of resignation, the testimony is somewhat conflicting. Lyon swears, page 58, that Park told him, that General Schenck had written two letters of resignation; that Park showed him the first letter and remarked, "I am going to have a better letter than that from the general;" that a few days afterward he showed him a second and modified letter, which was the one finally sent into the board of directors. Schenck in his testimony, page 288, produced the rough draught of his letter of resignation, of which he says, "If you refer to the records of the Emma Mining Company you will find this to be *in hæc verba*, the resignation which was presented and acted upon," and adds, "this resignation was not prepared or written until the 6th."

On page 336 he reiterates "that this is the only letter which I sent to the board;" but on comparison with the actual letter of resignation, page 340, it turned out that General Schenck was mistaken as to the rough draught not having been more extensively modified than appeared upon the face of it; one sentence is almost entirely rewritten, in order to convey the impression that his resignation is not the result of any incompatibility with his public or official duty. So far as Park and

Stewart were concerned this was a most material addition to the lette in its bearing upon the sale of the reserved shares of the company.

On page347, General Schenck testifies that he did not think Park ha made any draught of this letter of resignation.

At a later date the committee received from London the actual lett of resignation sent in by General Schenck in his own handwriting, an a copy thereof in the handwriting of Mr. Park, who had previous testified that to the best of his knowledge and belief he had never ma any such copy. General Schenck stated that in this copy there was n a single word in his handwriting (page 807;) on having his attenti called to the interlineations of two words, he inclines to the opini that they are in his handwriting, and adds, "therefore I must ha seen that copy at some time;" and further adds that "he (Park) m have taken a copy at the very time I wrote it;" and finally conclude "My attention being directed to those words, I am inclined to think th that copy may have been made by Mr. Park and compared by me, an that where he hadgot it wrong from my original I may have correcte it." Subsequently (page 845) General Schenck says that he cannot a mit that one of these words is in his handwriting.

Mr. Park, on the other hand, swears positively that the interlineatio are in his handwriting, but that he cannot recollect where, when, why he made the copy, which previously he testified that he never ha any recollection of having made. On the whole, the committee a of opinion that two letters of resignation were prepared, the one rough draught written by General Schenck, and the other an amende copy made by him after his conversation with Park, the seco having been modified from the first, in accordance with the sugge tions of Mr. Park. As this is an important matter, showing the relatio of General Schenck to Park at that time, the exact language of Park herewith inserted, (page 833:)

General Schenck has shown you a draught which he made and the letter which he aft ward made from that draught. I think I saw one of them; perhaps both of them. think I saw one of them, because General Schenck states that, as to one of them, wh I saw the statement that he proposed to retain his shares, I said, "General, you not want to commit yourself to that; you may want to sell them. It will be sufficie for you to say which you now hold." I made that suggestion, and from that fac may have seen the draught, and it is possible I saw the other; but that I dictated a w of it, except that it should be upon the true ground of the reason for his resignati so that it should not injure the company or cast suspicion upon it, and making suggestion that he should not bind himself to hold the stock, has no foundation wh ever.

Besides the original allotment of five hundred shares which Gene Schenck received under his contract with Mr. Park, he became entitl to a further allotment of three hundred shares in the month of April, 18 These shares were subscribed for, carried, and sold without any interve tion whatever on the part of General Schenck beyond signing the app cation, and the usual transfer form in blank, which blank appears have been filled in with the name of C. M. Fisher, with whom Gener Schenck is positive, however, he never had any other transactions relation to the Emma Mine. These shares were sold shortly afterwar at a profit of £2,000, which was paid in to General Schenck's credit Jay Cooke, McCulloch & Cos., but by whom, General Schenck is n positive.

In his testimony before the commissioner in London, General Schenc testifies, page 27, that Mr. Park did not find the money for these share but that he (General Schenck) carried them, and disposed of the "entirely on his own account, and through his own means and arrang

ment." In his testimony before the committee, pages 350–352, he testifies, in answer to a question whether Mr. Park's money purchased those shares, he testifies: "Yes; Mr. Park, I have since understood, carried these shares and arranged the thing during the three days we held them." Lyon testifies, pages 60, that he deposited the money required to procure the allotment of these shares, having procured it on Mr. Park's check, and Mr. Park testifies, pages 566, that he gave Lyon the check for this purpose, and again, on page 660, that he furnished the money to pay for the stock.

The profit realized from this transaction seems to have been used as the margin with Jay Cooke, McCulloch & Co. for a speculative purchase of five hundred shares of stock, (page 352) to be carried by them, for the joint account of General Schenck and General Woodhull, his first secretary of legation.

This venture was still on hand in December, 1872, at the time when it became apparent that dividends would no longer be paid. This fact was communicated to General Schenck in a telegram, bearing Park's signature, (page 697,) and sent from New York to Schenck, reaching him at Paris. This telegram advised General Schenck to sell 2,000 shares, (page 743.) Fisher, who was in Paris at that time, obtained this information from General Schenck, and informed his broker in London that General Schenck had directed Colonel Chesebrough, his second secretary of legation, whom he had sent to London to look after this business, to sell 2,000 shares short. General Schenck, page 823, in answer to a question, whether he did or did not send instructions to Mr. Chesebrough to sell 2,000 shares of stock, replied:

> I am very strongly impressed with a belief that I did no such thing. I have no recollection of ever doing anything of the kind. I think he would have tried to do it for me and have done it for me if asked to, but nothing of the sort was done.

On page 842 he says:

> But I am, as I said, perfectly satisfied from my recollection (and the more I think of the matter the more I am satisfied) that I never directed Chesebrough to sell the two thousand shares, and at any rate that no two thousand shares ever were sold for me.

Thereupon the chairman addressed a telegraphic inquiry to Mr. Chesebrough, to which the following reply has been received since the printing of the evidence, and is therefore here inserted in full.

LEGATION OF THE UNITED STATES,
London, May 8, 1876.

SIR: I have the honor to acknowledge the receipt of your telegram of yesterday (Sunday)—

"Did General Schenck ever direct you to sell two thousand shares Emma stock? Telegraph briefly, and write fully."

To which I have replied this morning, as follows:

"Have written fully to-day's mail, as requested." It would be impossible for me "briefly," in a telegram, to answer the inquiry satisfactorily.

The facts in the case are, that on the 14th December, 1872, I was in Paris, when General Schenck arrived there with his three daughters. The evening of the same day he received information that the price of Emma stock had declined rapidly and largely, and he came to me in much anxiety, saying that he would have to go over to London immediately unless I would go for him. I consented to do so. He requested me, on my arrival in London, to see one or two of the directors of the company, to ascertain their views as to the condition of the stock, &c., and then to instruct Jay Cooke, McCulloch & Co. about selling out some shares they were carrying for him. On the 17th December I received the following telegram from General Schenck:

"Keep my 475 investment; sell at discretion 2,000 Park account, 500 Woodhull."

I did not act upon this telegram further than conveying Schenck's instructions to Jay Cooke, McCulloch & Co., to make sales of the shares in their hands. They sold the 500 shares held for Woodhull and Schenck, Schenck keeping his original 475 shares.

After General Schenck's return to London I carried instructions from him to McCullo & Co. to sell 200 shares.

This comprises all that I have had to do in the buying or selling of Emma stock E General Schenck, and I have had no interest whatever, directly or indirectly, in the transactions, or in any other transactions which may have been made for him.

I am, sir, very respectfully, your obedient servant,

WM. H. CHESEBROUGH

HON. THOMAS SWANN,
Chairman of the Committee on Foreign Relations,
House of Representatives, &c.

A copy of this letter was telegraphed to General Schenck, of whi he also received a copy from Mr. Chesebrough. To this letter Gener Schenck has sent the following reply, which it is deemed best to inse in full:

DAYTON, OHIO, *May* 23, 1876.

SIR: Referring to my telegrams sent last evening, one to you and one to Mr. Faulkn I now proceed to send a statement in answer to Colonel Chesebrough's letter, witho waiting for reply from either you or Mr. Faulkner. I will endeavor to make t statement full and clear, although it has to be dictated under most unfavorable c cumstances to an amanuensis beside the bed to which I am confined.

I would wait to hear from the committee, and in the hope of being well enough travel to Washington by the end of this week to appear before them in person; but have this morning learned that it is reported by telegraph that the House of Repr sentatives has ordered your committee to make their report on the investigation the Emma Mine matter on Thursday.

Fortunately for me, I am enabled now to refer to what has been written by Colon Chesebrough, having just received a copy of his letter, sent to me at Washington an forwarded from there.

I regret that Colonel Chesebrough could not be present before the committee to te tify regularly, and to make a much fuller statement than he has written, and to b subjected, if necessary, to cross-examination. I have heretofore explained to the com mittee the circumstances of my arrival at Paris, in December, 1872, with my family, fro Italy, and of the unexpected and astounding news which met me there from London, i regard to the probable stoppage of dividends on the Emma mining-stock, and the sudde and disastrous depreciation of its value which was ensuing. I have also referred to th anxiety I had to save myself, if possible, from the great loss that General Woodhu and I were likely to sustain on the five hundred (500) shares we had in his nam which were held for us by Jay Cooke, McCulloch & Co. I had no thought even then o parting with the four hundred and seventy-five (475) shares of my original subscriptio still believing the property valuable, and that the suspension of dividends would b but temporary. I would not, however, afford the hazard of loss on that five hundre (500) shares which we had purchased on a deposit and credit with the bankers, an had been carrying since the May preceding. The telegram sent by Mr. Gager, in M Park's name, from New York had gone to London, and had been forwarded to me b mail, while in the mean time the unpromising condition of the company appeared to b generally known by all parties interested, who had also been receiving information, an the stock was rapidly falling.

I have explained from the beginning to the committee the character of the telegra I received. It was signed "Park," and gave me information of the apprehended co dition of the company's affairs, and suggested, by way of covering my probable los a sale of two thousand (2,000) shares, as I remember on joint account. From the firs I determined that so far as I was concerned I could not take the possible risk of an such sale, however much I desired to save myself from impending loss. I do not con sider that it would have been wrong in itself to have thus covered, if I could, the los I sustained, and I have before this stated to the committee, in reply, I think, to a ques tion put by Mr. Barnum, that I was inclined to regret I had not done so.

When Colonel Chesebrough, whom I met, as he has stated, at Paris, agreed to g for me at once to London, it was particularly with a view, after consultation wit others, to do whatever seemed best to guard the interests of General Woodhull, wh was his cousin, and myself. He was fully empowered to act, and was aware of all m views in the matter. During the few days of anxiety which followed, there passe back and forth between him and me a number of notes and telegrams, which I regre have not been preserved, and of which, after an interval of nearly four years and half, I cannot give any particular account. As I did not sell two thousand shares o the stock, as suggested to me to do, nor any other shares, except those which were hel in Woodhull's name for him and myself by Jay Cooke, McCulloch & Co., I have believed while looking back at the matter, that I did not telegraph to Chesebrough at an time in regard to the two thousand shares, and I have so stated as my distinct impres

sion. The telegram, of which he gives now what purports to be a copy, I do not remember, but I dare say it is correct. It confirms what I have stated in regard to retaining my four hundred and seventy-five original shares as an investment and the sale of the five hundred shares in Woodhull's name. It would seem also that I authorized him to make a sale if, in his discretion, he thought proper, not in any way on my account, but for Park. I had no sham account with Park.

I will now add what has up to this time, since this inquiry has been proceeding, confirmed me in my belief that I had not telegraphed Chesebrough in any form whatever on the subject of the two thousand shares.

When Chesebrough returned from a visit to the United States last winter, he volunteered to tell me of a conversation he had had with somebody connected with the New York Tribune—Whitelaw Reid, I think, he said—in which he was asked if he had received such a telegram from me from Paris, and he informed me that he had replied that he had no recollection of anything of the sort. I said to him that I did not remember having telegraphed to him any such instruction, and he told me that neither did he remember that I had.

Again, when I was about to leave London to present myself before your committee, and was desirous, with a view to refreshing my recollection of matters relating to the Emma Mine, and for reference, to find and collect any papers or memoranda on the subject that might have been preserved, I asked Chesebrough if he had any document or memorandum in his possession. He said, "No, I have not a paper or a scrap on the subject remaining in my hands."

Of course, as his statement is so brief, I cannot tell whether he was mistaken then or whether he has had recourse to the files of the telegraph company, or how it is, that he has been able now to produce or recollect the telegram in question.

Of what is mentioned by Colonel Chesebrough in the last paragraph of his letter, in regard to carrying instruction from me to McCulloch & Co., to sell two hundred shares, I have no remembrance whatever. It was probably in connection with the sale of the five hundred shares which they held.

It is true, as Colonel Chesebrough states, that he never had any interest in any transaction of mine in connection with the Emma Mining Company or its shares; and I believe the committee are in full possession, certainly so far as I can recall the facts, of everything relating thereto with which I have been concerned.

I have the honor to be, very respectfully, yours,

ROBERT C. SCHENCK.

Hon. THOMAS SWANN,
Chairman Committee on Foreign Affairs,
House of Representatives, Washington, D. C.

It will thus be seen that the speculative venture of five hundred shares held for Woodhull and Schenck was closed out, and if two thousand shares of stock were not sold in addition, it was not for lack of orders or of willingness on the part of General Schenck, but because Chesebrough or Jay Cooke, McCulloch & Co. would not take the responsibility. It will also be observed that subsequently, after General Schenck's return to London, he gave instructions to sell two hundred shares, but whether this was a short sale or not does not appear. The conclusion, then, of the whole matter is, that General Schenck, besides having been a director of the Emma Mining Company, was engaged in speculative operations in the stock with Trenor W. Park, the vendor of the mine, (page 660,) with General Woodhull, his secretary of legation, and upon his own account to the extent hereinbefore stated, in such manner as to subject the name and station of the minister of the United States to criticism.

The committee therefore find, as to the inquiries announced at the beginning of the report:

First. Upon the authority of the dispatch of the Secretary of State, that it was not proper for the American minister at the court of St. James to connect himself as a director with the Emma Mining Company of London. This position is confirmed by the authority of Phillimore, (vol. 2, page 194,) who says:

In truth, every state ought, by expressly forbidding their ambassadors to combine engagements in private trade or commerce with the sacred duty of representation, to prevent any question of the kind ever arising. The Roman law on this point deserves to be imitated, "Enim qui legatione fungitur, neque alienis neque propriis negotiis se interponere debeat."

Second. That the relations of General Schenck to the vendors of the Emma Mine were of such a character as to cast suspicion upon his motives, and subject his action to unfavorable criticism. But the committee believe that he was not guilty of a fraud or of any fraudulent intention in his connection with the company or the vendors of the mine.

Third. That his subsequent speculative dealings in the shares of the company were not compatible with his diplomatic station, and the maintenance of a position of honor and usefulness at the court near which he was accredited.

The committee therefore submit the following resolution, and unanimously recommend its passage by the House:

Resolved, That this House condemns the action of General Robert C. Schenck, United States minister at the Court of St. James, in becoming a director of the Emma Silver-Mining Company of London, and his operations in connection with the shares of the said company and the vendors thereof, as ill-advised, unfortunate, and incompatible with the duties of his official position.

FORTY-FOURTH CONGRESS, FIRST SESSION.

CONGRESS OF THE UNITED STATES,
In the House of Representatives, February 7, 1876.

On motion of Mr. PIERCE,

Resolved, That the Committee on Foreign Affairs be instructed to ascertain and report what action, if any, has been taken by the executive department of the Government in relation to the connection of the United States minister at the Court of St. James with the directory of the Emma Mine, so called, and also with the prosecution of the Machado claim against the British government; and that said committee be authorized to request the Secretary of State to furnish this House such information and correspondence upon the subject as may not be incompatible with the public interests.

Attest:

GEO. M. ADAMS, *Clerk.*

FORTY-FOURTH CONGRESS, FIRST SESSION.

CONGRESS OF THE UNITED STATES,
In the House of Representatives, February 28, 1876.

Mr. SWANN submitted the following, which was adopted:

Resolved, That the Committee on Foreign Affairs be authorized and instructed to inquire further into the connection of the United States minister at the Court of St. James with the Emma Mine, so called; that it have power to send for persons and papers; and leave is given to said committee to sit during the session of the House.

Attest:

GEO. M. ADAMS, *Clerk*,
By GREEN ADAMS, *Chief Clerk.*

[House Report No. 123, 44th Congress, 1st Session.]

CONNECTION OF HON. ROBERT C. SCHENCK WITH TH EMMA MINE AND MACHADO CLAIM.

FEBRUARY 25, 1876.—Laid on the table and ordered to be printed.

Mr. SWANN, from the Committee on Foreign Affairs, submitted th following

REPORT:

The Committee on Foreign Affairs respectfully report that, in accord ance with the instructions contained in the resolution of the Hous adopted February 7, "to ascertain and report what action, if any, ha been taken by the executive department of the Government in relatio to the connection of the United States minister at the Court of St James with the directory of the Emma Mine, so called, and also wit the prosecution of the Machado claim against the British government and that said committee be authorized to request the Secretary o State to furnish this House such information and correspondence upo the subject as may not be incompatible with the public interests," th committee transmitted a copy of the resolution to the Secretary o State, who in reference thereto addressed to the committee a communi cation, accompanied by certain telegrams and correspondence, whic documents the committee herewith submit to the House, with th recommendation that the same be printed for the use of the House an referred back to the committee for further consideration.

And the committee further report, in obedience to the resolution, tha the action of the executive department of the Government appears, s far as the correspondence herewith submitted gives evidence, to hav been limited to a recommendation in a telegraphic dispatch, dated No vember 28, 1871, to General Schenck, that he should retire from th directory of the Emma Silver-Mining Company, which recommendatio General Schenck appears to have acted upon after the lapse of a week to wit, on the 6th of December following, but the fact of his resignatio does not appear to have been communicated to the public press unti the 12th day of January following.

In regard to the Machado case, it will be seen by the letter of th Secretary of State that General Schenck has taken no official actio whatever in regard thereto.

The committee submit the following resolution, and recommend it immediate passage:

Resolved, That the letter of the Secretary of State and the accompa nying correspondence, herewith submitted, be printed for the use of th House, and be referred back to the committee for further consideratio

DEPARTMENT OF STATE,
Washington, February 19, 1876.

SIR: I have the honor to acknowledge the receipt of your letter of February 9, inclosing a copy of a resolution of the House of Representatives, adopted on the 7th instant, as follows:

"*Resolved*, That the Committee on Foreign Affairs be instructed to ascertain and report what action, if any, has been taken by the executive department of the Government in relation to the connection of the United States minister at the Court of St. James with the directory of the Emma Mine, so called, and also with the prosecution of the Machado claim against the British government, and that said committee be authorized to request the Secretary of State to furnish this House such information and correspondence upon the subject as may not be incompatible with the public interests."

In reply to such part of the resolution as asks what action may have been taken by the executive department of the Government in relation to the connection of the minister of the United States at the Court of St. James with the directory of the Emma Mine, and such information and correspondence upon the subject as may not be incompatible with public interest, I have to state as follows:

In the latter part of the month of November, 1871, the press in the United States reproduced an article from a London journal, commenting upon the appearance of the name of the minister of the United States as a director in the Emma Silver Mining Company, in a prospectus which had then lately been issued in London.

Upon the 27th of November, General Schenck addressed a telegram to this Department, stating that his entire interest in the enterprise arose from the ownership of certain shares, for which, after investigation, he had paid dollar for dollar; that at the solicitation of respectable Americans he had become a director to protect their interests and his own; that he might have made a mistake in so doing, and expressing his readiness to withdraw from the board, or take such course in reference thereto as should be advised.

To this telegram a reply was sent on the following day, November 28, to the effect that although it was the privilege of every citizen to invest in such honest enterprises as he deemed proper, the advertisement of the name of a diplomatic representative as a director of a company, seeking to dispose of its shares in the country to which he was accredited, was ill-advised, unfortunate, and calculated to subject him to criticism; that it was assumed that he was no party to the publication, and concluding with an earnest advice to withdraw his name from the management of the company.

General Schenck thereupon withdrew from the board, and in a letter addressed to me, under date of January 12, 1872, inclosed a copy of his letter dated December 6, 1871, addressed to the chairman of the Emma Silver Mining Company, withdrawing from the direction of that company. He at the same time stated that this was not a solitary or the first instance where a diplomatic representative had appeared as a director in an enterprise in the country to which he was accredited, and that this had been done without comment or objection, and he inclosed a prospectus of the Lisbon Steam Tramways Company, which had then recently appeared in London, of which a representative of a European government at London was a director, and also inclosed certain references in commendation of the scheme, which had appeared in the London press. Upon the 20th December, General Schenck addressed a telegram to the Department in reference to a dispatch which had appeared in the London Times, referring to a resolution of inquiry said to have been adopted in the Senate, desiring to know whether it had reference to him, and expressing his readiness for an investigation. General Schenck further refers to some proceedings on the part of such committee in his letter of January 12. As no such resolution of inquiry had come to the knowledge of this Department, a reply was sent to the dispatch above referred to, to that effect on the following day, and the telegram was understood to manifest the readiness of General Schenck to immediately meet any investigation, and to demonstrate the sincerity of his convictions in the value of the enterprise in which he had invested.

I annex hereto copies of the several telegrams and letters referred to, which constitute all the correspondence on the files of this Department on the subject.

As the resolution of the House makes a reference to the action of the executive department of the Government on this question, I deem it due to General Schenck, as a public officer who has held various and important public trusts, and who has for many years occupied a prominent position before the country, to further state that the course adopted in this Department growing out of these facts was based on the conviction that, while the use of the name of the minister of the United States in such an enterprise was inconsistent with his position, at the same time General Schenck had been guilty of no wrong purpose or intent in connecting himself with the company in question. I remain firmly of this opinion, and am further satisfied that he, in common with many others, became a sufferer thereby.

In relation to that portion of the resolution of the House which refers to the action taken by the executive department of the Government concerning the connection of

the minister of the United States at the Court of St. James with the prosecution of the Machado claim against the British government, and as requests information and correspondence upon the question, I have to state as follows:

In the year 1854, a vessel belonging to one J. A. Machado, called the Mary Varney, was arrested upon the coast of Africa and detained for some time by British cruisers on a charge of being engaged in the slave-trade, and in the year 1857 a similar arrest and detention occurred in the case of the Thomas Watson, owned also by Mr. Machado. After some detention in each case the vessels were released. Mr. Machado, in 1858, transmitted to General Cass, then Secretary of State, a memorial and papers in reference to the seizure of these vessels, making a claim for $80,000 damages in the case of the Thomas Watson, and for $50,000 in the case of the Mary Varney.

An instruction was thereupon addressed by Mr. Cass to Mr. Dallas, the minister of the United States in London, bearing date February 22, 1858, transmitting the memorial and papers in question, and instructing him to present the claim and demand reparation for the seizure of the Thomas Watson, the arrest of which had been disapproved by the British government, and to invite the attention of the government of Great Britain to the case of the Mary Varney. Upon the 28th of March, 1858, after some correspondence, Mr. Dallas informed Mr. Cass that he had presented the claim as to the Thomas Watson, and inclosed a copy of his note presenting such claim for $80,000 for the seizure of that vessel, and stated that the other claim would be submitted without delay.

On May 11, 1858, Mr. Dallas forwarded to Mr. Cass a copy of the answer of Lord Malmesbury as to the claim presented, bearing date of the 6th of May, who stated that Commander Robson's course as to the seizure of the Thomas Watson was wholly disapproved, that the British government had expressed to the United States its regret therefor, and punished that officer by depriving him of his command, and that Her Majesty's government must necessarily admit that some compensation was due, the only question being as to the amount. He proposed that the British consul at New York should be instructed to investigate any statement produced before him, and to endeavor to come to an understanding with Mr. Machado, or, if such course was not satisfactory, that the British government would submit the question of compensation to arbitration.

This proposition having been communicated to Mr. Machado by General Cass, he expressed unwillingness to submit the question to the British consul at New York, but was willing to arbitrate the amount of damages which had been sustained, and suggested Mr. Joshua Bates, of London, as arbitrator, who had lately acted in a similar capacity on questions pending between the two governments. This offer to acquiesce in the suggestion of arbitration made by the British government does not appear to have been brought to the attention of that government by Mr. Dallas, and nothing further appears to have been done in reference to this vessel until several years after, when Mr. Adams had become minister in London.

In reference to the Mary Varney, also covered by Mr. Cass's instructions of February 22, 1858, Mr. Dallas, after some correspondence with the Department of State, addressed Mr. Cass under date of October 8, 1858, and forwarded a note from Lord Malmesbury in reply to one addressed by him presenting the claim for the Mary Varney, and further correspondence occurred without reaching any definite conclusion. In like manner as in the case of the Thomas Watson, correspondence with the British foreign office seems to have ceased in 1858, and no further reference is found to this case until the appointment of Mr. Adams as minister to London.

Under date of February 2, 1866, Mr. Seward addressed Mr. Adams, calling attention to the claims for damages for the seizure of the two vessels, and instructed him to take proper proceedings for the prosecution thereof. Pursuant to this instruction, and after some correspondence with Mr. Seward, Mr. Adams, in a dispatch dated August 4, 1866, forwarded a copy of his note to Lord Clarendon of March 3, and the reply of Lord Stanley, who had then become secretary of state for foreign affairs, of August 3, in reply. Lord Stanley reviewed at length the two cases, and while objecting to the amount then claimed as damages, alleging that the claims had been increased, and suggesting that Mr. Machado had been engaged in slave-trading, stated, nevertheless, that Her Majesty's government had no intention of withdrawing from the offer of arbitration already made, but desired an examination, and an expression of opinion on the part of the United States, as to the justice of the claims, and of the amount demanded. Considerable correspondence followed between Governor Seward and the claimant or his attorneys, and other parties, with a view to investigate the charges made by Lord Stanley that Machado had been engaged in the slave-trade, some evidence being furnished on this point, and Mr. Machado on his part vigorously denying the charge.

So far as the files of this Department show, the history of the prosecution of these claims and their presentation to the British government ended in the year 1866. From that date no instructions seem to have been addressed from this Department to the representative of the United States in London, and, so far as is known, no further communication was made to the British government on the question.

Some correspondence seems to have been had in 1867, in reference to the charges against Mr. Machado, but the prosecution of the claims seems to have been thereafter entirely suspended. Since my entrance into office the claims have not been revived, and during the time that General Schenck has been the representative of the United States in London, no instruction whatever has been addressed to him in reference to these claims, nor has he, as far as I am aware, taken any steps, directly or indirectly, in the prosecution, or in asking a settlement thereof.

Upon this point, and in reference to the course of General Schenck as to these claims, I deem it proper to forward herewith a copy of a letter addressed to the Hon. Reverdy Johnson by General Schenck, bearing date December 14, 1875, and directly bearing on this question, a copy of which was furnished to me by Mr. Johnson, on his late return from Europe, at the suggestion of General Schenck. From this it appears that in 1871, General Schenck was requested by a private individual to bring the claim of Machado unofficially to the notice of Her Majesty's government; that he declined to do so; that upon an examination of the subject he learned of the charge against Mr. Machado, that he had been engaged in the slave-trade, and was of opinion that there was no authority for pursuing the claim without further and explicit instructions from this Department, which he never received; and thus the matter has rested. No instruction was ever addressed to him on the subject of these claims, and none was ever asked by him, nor did he in any way either bring them to the notice of the Department or allude to them in his correspondence with the Department. He appears to have appreciated that claims tainted with the charge which attached to these, and which had been left unnoticed for the length of time since any instruction had been given by his Government, should not be taken up by him on the solicitation of a private individual or of the claimant, and he appears to have acted upon this proper appreciation, and to have taken no step toward their presentation to the British government. That he should have looked into the merits of the claims, as it appears from his letter to Mr. Johnson that he did, at the instance of a citizen, with a view to ascertain their validity, and to ask instructions from his Government in case he became satisfied thereof, was strictly in the line of his duty, and he appears to have discharged it judiciously and properly.

So far as reflections have been cast upon General Schenck because of a prosecution of these claims or because of a presentation of them by him to the British government, a sense of justice compels me to say that I am satisfied that such reflections are unjust, and that General Schenck is open to no imputations whatever arising therefrom.

I have the honor to be, sir, your obedient servant,

HAMILTON FISH.

Hon. THOMAS SWANN,
Chairman Committee on Foreign Affairs.

Inclosures.

Mr. Schenck to Mr. Fish, telegram, received November 27, 1871.
Mr. Fish to Mr. Schenck, telegram, November 28, 1871.
Mr. Schenck to Mr. Fish, telegram, received December 20, 1871.
Mr. Fish to Mr. Schenck, telegram, December 20, 1871.
Mr. Schenck to Mr. Fish, January 12, 1872, inclosing extract from London Times of January 12, 1872; also, extract from London Times of July 8, 1871; also, extract from Economist of July 8, 1871.
Mr. Schenck to Mr. Reverdy Johnson, December 14, 1875.

Mr. Schenck to Mr. Fish.

[Telegram.]

FISH, *Secretary of State, Washington:*

Am surprised and pained by telegrams from United States, published here, regarding my connection with Emma Mine. Have no pecuniary interest except some shares, for which, after investigation fully, I paid dollar for dollar. Having thus decided and raised means to invest, was solicited by respectable Americans to act with gentlemen of known high character as director, to protect their interest and my own in what I believe very valuable property. Perhaps made mistake. Want only honorably and usefully to serve my Government and countrymen, but have not deemed it wrong to try to make something honestly for myself and family. Will withdraw from board or do whatever you advise. Will not embarrass administration.

SCHENCK,
London.

Received 4.30 p. m., November 27, 1871.

Mr. Fish to Mr. Schenck.

[Telegram.]

DEPARTMENT OF STATE,
Washington, December 28, 1871.

SCHENCK, *Minister, London:*

Although a public officer, you have the full right of every citizen to be a shareholder, and to invest your money in such honest enterprises as you think proper, and neither the Government nor the public have any right to criticise or to censure you for so doing.

The advertisement of the name of a diplomatic representative of the Government, as a director of a company seeking to dispose of its shares in the country to which he is accredited, is ill-advised and unfortunate, and is calculated to subject him to criticism; but it is assumed that the advertisement of the mining company in the London journals was not your act, but that of the agents of the company without consultation with you.

You are earnestly advised to withdraw your name from the management of the company.

FISH,
Secretary.

Mr. Schenck to Mr. Fish.

[Telegram.]

FISH, *Secretary of State, Washington:*

This telegram published in Times this morning—

"PHILADELPHIA, *December* 19.

"The Senate to-day adopted a resolution directing an inquiry to be made to ascertain whether any foreign minister of the United States is publicly connected with any speculation-transactions, or has given the use of his name in their furtherance"—

is aimed, I presume, at me. Please inform me. Am not afraid of investigation.

SCHENCK,
London.

Received at 1.20 p. m., December 20, 1871.

Mr. Fish to Mr. Schenck.

[Telegram.]

DEPARTMENT OF STATE,
Washington, December 20, 1871.

SCHENCK, *Minister, London:*

No such resolution, to my knowledge.

FISH.

Mr. Schenck to Mr. Fish.

WESTMINSTER CHAMBERS,
London, January 12, 1872.

MY DEAR MR. FISH: You will recollect that the Economist was the London newspaper which led the attack on me about the Emma Silver-Mining Company, which was echoed and followed by the Evening Post and other newspapers in the United States. The Economist was horrified at the violation of all precedent and propriety by a diplomatic representative becoming a director in a joint-stock company.

I send you now the number of the Economist issued on the day (only July 8) when they published the minister of Portugal's Steam Tramways Company's prospectus. See the favorable editorial notice. There was nothing and nobody to criticise then. I send also the Times of that same date, with its notice of the Lisbon scheme. There was nothing thought amiss in the action of my good old friend the duke. But I must do the Times the justice to say that neither has that paper made unfavorable comment on me. Only they have published the flings and misrepresentations contained in their United States correspondence from Philadelphia.

Perhaps you will do me the favor to show or give these papers to the Senate investigating committee. There are other precedents. But I just give you this late and fresh one since I have been here.

In the money article of the Times of to-day you will find published my letter resigning the directorship on the 6th December last.

Yours, very truly,

ROBERT C. SCHENCK.

[Inclosure 1.]

The Times, Friday, January 12, 1872.—*Extract.*

LONDON, *December* 6, 1871.

DEAR SIR: I hereby resign my place as a director of the Emma Silver-Mining Co pany, and request you to communicate this notice of the fact to the board at the next meeting.

In thus withdrawing from the trust reposed in me, I desire to express to my asso ates in the management of the company my sincere and high appreciation of each an every one of them as gentlemen of distinguished position and character, with whom has been to me a pleasure to be connected.

My resignation is upon grounds purely personal to myself. In consenting to becon a director, I know that I but exercised a private and individual right, in no way i compatible with public or official duty; but I prefer to take away from some who hav criticised me, even a pretext for their comments or attacks. I beg, therefore, to recor my assurance to you and other members of the board that I continue to have the fulles confidence in the value and profitableness of the property they have in charge, i which I still hold all the shares I have been able to take.

I am, very respectfully, your obedient servant,

ROBT. C. SCHENCK.

GEORGE ANDERSON, Esq., M. P.,
Chairman, &c.

[Inclosure 2.]

The Times, Saturday, July 8, 1871.

A prospectus has been issued of the Lisbon Steam Tramways Company, (limited, with a capital of £200,000, in shares of £10. The Duke of Saldanha, the Portugues minister at this court, is president of the undertaking, and the object is to carry out a exclusive concession granted to his excellency for ninety years, for the construction c steam tramways from Lisbon to Cintra, Torres Vedras, and elsewhere, comprising total length of about 63 miles, through the most populous places of resort. A con tract has been entered into with Messrs. Edwin Clark, Punchard & Co., for the sur of £304,810, of which £190,000 is to be in cash and the balance in debentures, an they are to complete the entire system by December 31, 1872, allowing meanwhile 7 pe cent. on the paid-up capital. The cost per mile will thus only slightly exceed £4,50 a rate, it is stated, far below that of any similar works in a large metropolis, while th prospects of traffic according to existing data, appear to be good. The population c Lisbon is 300,000, and there are probably few cities upon which, as far as the inhabi ants are concerned, a work of this kind could confer greater benefit.

NOTE.—The inclosure referred to in the above note is a prospectus of the Lisbo Steam Tramways Company, printed in the Economist of July 8, 1871, in which th name of the Portuguese minister to London, a director of the company, appears as fo lows:

"His excellency Field-Marshal the Duke of Saldanha, (envoy extraordinary fro the government of Portugal,) London, chairman."

Editorial notice of the Economist:

"The Lisbon Steam Tramways Company (limited) has been formed for the purpo of affording tramway accommodation to the city of Lisbon, for which a concession ha been granted. The present issue consists of 200,000 £10 shares. The directorat comprises some well-known names in the financial world, and the company appear t have been launched under favorable auspices."

LONDON, *December* 14, 1875.

MY DEAR MR. JOHNSON: Until you called my attention this morning to the ne assault made on me in the New York Tribune of the 1st instant, I had not heard it. astounds and disgusts me, that acts of mine can be thus continually misrepresented.

I address this comment on that publication to you, not merely because of the kin and friendly interest with which you have brought this fresh attack on me to m notice, but also for the reason that I have heard of the letter you have recently an voluntarily sent to the Baltimore American, making, as I am informed, a just and fai vindication of my conduct in the matter of the Emma Mine, about which I have bee so persistently vilified. I cannot but be very grateful to you for such unsolicited an generous defense.

In brief, as to this claim of Machado, sent to me in 1871 by Thomas Wiard, I give you this explanation, which you are not only at liberty to make public, but which I desire to have you communicate as widely as possible to all who love truth rather than calumny.

When the publication in the Tribune was first mentioned to me, it had almost gone out of my mind that such a case as Machado's had ever been submitted to me. Reading the full and able brief addressed to me by E. C. Benedict, esq., a lawyer of high reputation in New York, which I have just found and taken from a drawer where it has long been lying, I now recall the circumstances. It is an old case at the legation, dating from the time of Mr. Dallas, nearly twenty years ago, and running through the terms of several of my predecessors. This brief from Mr. Benedict was inclosed to me, in the first year of my official residence here, by Mr. Wiard, accompanied by a letter or memorandum from himself, and with a copy or copies of his agreement with the claimant, which, as I remember he wrote me, had been prepared by the attorneys of Machado. On receipt of the papers I wrote to Wiard in reply. Whether his contract or my letter of acknowledgment, as published in the Tribune, are correct copies of the originals, or whether they are garbled or mutilated, I have not the means of verifying; and so, for my present purpose, I will assume that they may be correct. Neither will I stop to inquire by what acts of perfidy or dishonesty private papers may have come into the possession of those who seek to use them for assault on my reputation.

Take my letter and the facts, and I indignantly denounce the coloring that is sought by the editor of the Tribune to be given them.

Mr. Wiard I had known long and intimately; Machado I have never known. The reference to me by these parties in their dealings with each other was grossly wrong, unauthorized, and such as, if permitted to pass unquestioned, might make it appear that I was to have some interest in the investigation or the prosecution of the claim. I was willing to examine the case, make inquiry and ascertain and inform the parties if it appeared to have merit in it, or likelihood of success if further pressed. This I would have done for any American citizen. I was the readier to do it for a friend, but could not forbear reprehending him as I did for the unwarranted use of my name, nor from pointing out to him how such a thoughtless and improper reference to me might afford occasion for the very misrepresentation of which I now complain.

The request of Mr. Wiard was that I should endeavor to bring the case unofficially to the notice of Her Majesty's government. This I could not do. Some time after, when I looked into the subject and made inquiry, I learned that the British government had evinced a fixed determination to refuse indemnity to Machado on the ground that his vessels, in respect of which the claim arose, had been engaged in the slave-trade, and there seemed to be no authority for pressing for damages without further and explicit instruction from the State Department. My Government gave me no instruction, and thus the matter has rested for nearly four years longer.

I will write at once to Mr. Wiard to ask what explanation can be given of the publication of his private papers.

And now I close with this declaration, which I desire to be taken in its fullest and broadest sense: that neither in this nor in any other case have I ever asked, accepted, expected, or permitted to be promised me compensation of any kind, direct or indirect, for my official services, or for my influence in or arising from any official position I was holding, save only such pay or salary as by law I have been entitled to, and I denounce every charge or intimation to the contrary, by whomsoever made, as totally false and slanderous.

You can understand, Mr. Johnson, how, in the presence of those who have known me long as you have, in both my personal and public character, I must feel humiliated in being called on to make for myself this protestation; but the strangely cruel malignity with which, for some reason which I do not understand, I have been lately pursued, makes it a duty perhaps to myself and to those whose good opinions are dear to me, not to submit any longer to either slander or misconstruction in silence.

Very faithfully and sincerely yours,

ROBERT C. SCHENCK.

Hon. REVERDY JOHNSON.

THE CIRCUIT COURT OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK.

IE EMMA SILVER-MINING COMPANY, LIMITED, of London,
vs.
TRENOR W. PARK AND OTHERS;

and

THE EMMA SILVER-MINING COMPANY
vs.
TRENOR W. PARK.

AT NO. 11 KING'S BENCH WALK, TEMPLE,
London, 7th September, 1875.

The taking of testimony (continued) under stipulations and orders in the above-entitled causes, such stipulations dated New York, June 27, 1875, before G. L. P. Eyre, esq., one of the commissioners named in said stipulations.

Mr. CHITTENDEN. Mr. Harrison, as the name of General Schenck has been mentioned by witnesses called by you in connection with the Emma Mining Company, and it is well known that he represents his country in an official capacity here, I have asked him to waive his privilege and come here and submit himself to examination as to all the facts with which he is acquainted in reference to this case. I understand that he has consented to do so, and I now offer him to you on behalf of the plaintiffs for examination as a witness.

Mr. W. G. HARRISON. I consider that he is your witness.

General SCHENCK. I came here in consequence of a letter from Mr. Turner, which I received while in Norway. In that letter he desired me to appear. I have only been a day in town, and having heard that this commission was yet open, I came at once to testify in accordance with his desire.

Mr. CHITTENDEN. Do I understand that you decline to examine him?

Mr. W. G. HARRISON. I consider that he is your witness.

General SCHENCK. Let me make this remark. I do not care whose witness I am. Now that there is an opportunity of putting in authentic shape, as my testimony, information which has heretofore been requested of me by Mr. Turner, on behalf of the plaintiffs, in regard to any connection I may have had with the Emma Mine, I very cheerfully waive any objection that I might make, either on account of my immunity from process or for any other reason, and consent at once to become a witness. I will add that I am well satisfied with the opportunity, which is the very first I have ever had, of stating whatever relates to my connection with the Emma Mining Company.

Mr. W. G. HARRISON. I do not think that I ought to put Mr. Chittenden in any difficulty by the curtness of my remark that I consider he is his witness; but I will just say further that I gave him an intimation to that effect one or two days ago. I think that when a witness is produced and introduced by the counsel for the defendant as a witness

whom he has induced to come here and waive a privilege, it is quite enough to induce me not to examine him in chief. I do not intend to say that in any way disagreeably to anybody.

Mr. CHITTENDEN. The only question with me is whether I ought to put any questions to General Schenck at all.

General SCHENCK. I felt a desire to be examined, and I thought it only courteous to Mr. Turner to let him know of my arrival here.

Mr. CHITTENDEN. It is a matter of perfect indifference to me which side calls you, General Schenck; but, in view of your suggestion, I am disposed to ask you one or two questions.

Mr. W. G. HARRISON. Then you are going to call him, are you?

Mr. CHITTENDEN. Yes; I am going to put these questions to him.

General ROBERT C. SCHENCK sworn.

Examined by Mr. Chittenden:

WITNESS. Before you begin, I think it is due to myself that I should state upon the record the circumstances under which I came. In consequence of notice from Mr. Turner, and, upon my arrival in town, hearing that the commission was not yet closed, and that perhaps it was about to be, I present myself very cheerfully, waiving any objection I might make, either on account of my diplomatic privilege or immunity from process, for examination.

Mr. W. G. HARRISON. I object to this as not being evidence.

Mr. CHITTENDEN. Will you please say when, where, by whom, and under what circumstances your attention was first called to the Emma Mine?

Answer. You will allow me, perhaps, to refresh my memory from a letter which I commenced writing to Mr. Turner in answer to a communication of his. The first knowledge I had of the mine was in the latter part of October, 1871. I met then at a hotel in London, where I was making a call upon a friend of mine, two American gentlemen, the honorable Mr. Stewart, United States Senator for Nevada, with whom I had been acquainted for several years, and Mr. T. W. Park, to whom I was there introduced by my friend, the honorable W. Evarts, of New York, the gentleman upon whom I had called. Within a few days after this, and after some social intercourse, these gentlemen told me of the occasion of their visit to England, of which I had before no knowledge. It was to sell, they said, or to organize a company for the purchase and working of the Emma mining property, the ownership of which, or the title to which, they held or represented. I listened with interest to the account they gave me of the situation and great value of the mine. It was in a place, they said, called the Little Cottonwood Cañon, of Utah; and, upon hearing that, I recalled the fact that some time in the year previous, happening to be in the office of the Commissioner of the General Land-Office, in Washington, I had heard from the Commissioner mention of discoveries that had been made of wonderful rich deposits of silver in that locality, of which he, at the same time, exhibited to me some specimens. I had never been myself so far west as Utah; and I am sorry to say that I never yet have been in that part of the country, nor ever, I suppose, within fifteen hundred or two thousand miles of this mine. Messrs. Stewart and Park developed and explained fully and carefully to me the supposed immense value and profitable character of this property, a value founded not only upon what it could produce, but upon what it had been producing. They proposed to me that a company should be formed, and that the mine should be sold, and that I

should take shares in it. They claimed, and it seemed to be shown, that from the very beginning it must produce large dividends on the investment at the price at which they offered it, and for which it was afterward disposed of. I was very willing to add something to my limited income upon such favorable promise, but I objected at once that if I should be satisfied, even after an examination of the great profits and returns probably to be made from the property, I was not able to command money enough to take stock to any amount which would be worth considering. This difficulty was after some offers to me, and after some negotiation, removed, and I arranged to obtain a sufficient loan through Mr. Park, in case I should go into the company, for payment of shares. I was, of course, however, to satisfy myself of the value of the property. To this end I passed many hours, at different times, in the study as well as I could of Professor Silliman's report on the mine, which was exhibited to me, and in examining plans and explanations of the work, inspecting accounts of sales of ores, bills of lading, and going over, in short, all the proofs and exhibits, which were freely submitted to me. These appeared to me to entirely sustain the representations made on behalf of the vendors, and were substantially the same as I recollect, as were set out in the prospectus of the company. I concluded and agreed to apply for 500 shares at the subscription price, which was £20 per share, and which Mr. Park undertook to see should be allotted to me.

Question. I should like to ask a question at this point. Can you give the date at which you finally determined to take this amount of shares in the company?—Answer. Yes, I can give the date of the agreement made between Mr. Park and myself, by which I secured means to take the shares. That was on the 1st day of November, 1871.

Question. At that time, please state whether or not any suggestion or proposition had been made to you by anybody looking to your becoming an officer of the company to be formed, or to take any part in the official management thereof.—Answer. Nothing whatever was mentioned to me.

Question. Please now go on and state your subsequent history in this matter.—Answer. Will you let me finish about the shares first?

Question. Certainly. I wish you to state in your own way your relation to the shares of the company, and everything else connected with it.—Answer. I spoke of having taken five hundred shares, which were assigned to me; twenty-five of these shares were intended for a friend, an American gentleman in Paris, an intimate friend of mine, to whose wife, at his request, I subsequently transferred them at par. That left me four hundred and seventy-five shares of the original subscription. Those shares I still hold, and for many reasons I have determined I will still hold them, at whatever loss. These shares are quoted now on the market at £1 10*s*. to £1 15*s*. I could have sold them at one period at least for over £30 a share. After I had thus consented to become a shareholder in the company, and had taken and arranged for the payment of the shares, I found these gentlemen were exceedingly anxious that I should become a director of the company, and permit my name to be known in connection with it. To this I demurred. I thought that probably, considering my residence in London in a diplomatic capacity, it was better, perhaps, that I should not have anything to do with the management of the company; and I am free to admit that I think, on that ground, I did make a mistake in ever assenting to the use of my name. It was represented to me, and I was inclined to think myself, that inasmuch as there would be, I was told, only two or three directors

representing the interest of Americans in the company, to protect my own interests, as well as the general concern, I might otherwise properly be a director. So far as the question of propriety was concerned I was, upon inquiry in two or three different quarters, informed that it would not be exceptional for a diplomatic representative to sustain such a character in relation to the company; and, notably, I was influenced by the fact that at that very time there was before the English public a prospectus for a scheme for the construction of steam-tramways at Lisbon, the promoter and original grantee under the charter and a director and chairman of the board of directors of which company was the oldest diplomatic representative then and still at this court, my very much esteemed friend, Field Marshal Duke of Saldanha, minister of Portugal. I have found a copy of that prospectus, and I will hand it in as part of my deposition.

(The document was delivered in and marked R. C. S., No. 1.)

Question. I shall be pleased if you can give a full and complete account of your connection with the company; when it commenced, how long it continued, under what circumstances, and why it was dissolved.—Answer. When I was asked to be a director, I, among other things, insisted that I could, under no circumstances, associate myself with any persons in the management of the company, unless I should know previously that they were gentlemen of position and respectability, with whom I would be willing to act. I am able to refresh my recollection as to the information I received, by having found this morning among my papers a note from Mr. Stewart, in which he states, what I also outside of the note remember, the names of some persons and their character, that I might be satisfied upon that point. I find among these E. Brydges-Willyams, member of Parliament for Cornwall, banker and smelter, very wealthy and of high character; "E. Leigh Pemberton, member of Parliament for West Kent, a large landed proprietor," the "Honorable John C. Stanley, heir to Lord Stanley, of Alderly; very wealthy;" and other names, he informed me, were under consideration, but not yet decided upon, namely: "Mr. George Anderson, member of Parliament for Glasgow, a copper-smelter of large wealth," and "Anthony P. Mundella, member of Parliament for Nottingham." He mentioned also "Sir William Grey, the late governor of Bengal." All these, with the exception of Mr. Mundella and Sir William Grey, did in fact afterward become associates in the management of the company. This information I appear to have received on the 3d of November, 1871, in this shape. When I finally became a director, I attended, as I remember, one meeting of the board, some time in November, and either one or two meetings, I think only one, in December; and on the 6th of December, 1871, I sent in my written resignation to the board, having been connected with them about a month in all. Since that time I have never been at a meeting of directors, nor any meeting of shareholders; but have abstained entirely from any active participation in any way whatever with the company or its management. My reason for resigning was that ungenerous and unjust comments were made upon my connection with the company, which induced me at once to give an explanation to my Government, to submit my whole action to them, and to determine for myself that, notwithstanding my right, as I claimed, to engage in any honest transaction, or to make any investment which would better my interests or fortune, I would not remain in a position which subjected my conduct to misconstruction and myself to attack.

Question. I will ask you whether Mr. Park did furnish the money t

take these shares?—Answer. Yes, he did; and the installments were made in cash as required.

Question. I hardly consider it material, but I will ask you whether you have since paid up that loan?—Answer. I have. I may say, as the matters connect themselves with each other, that afterward, in the spring of 1872, when the shares, under the influence in part, I suppose, of reports made by persons sent out from England by the board of directors, had risen very much in value, an American friend was anxious to buy and to have me join him in the purchase of some more shares. We bought perhaps in March or April, (March I should think,) 1872, five hundred shares. I was very reluctant to go into the further investment, but was persuaded to do so, thinking the property very valuable, and we bought at a little over £30 a share, or I ought rather to say that he bought, and I agreed to join with him in his purchase. These shares resulted, when we sold them, in a loss of about £14 per share. My indebtedness to Mr. Park, and my losses altogether, have since been adjusted, partly by receipts from some more fortunate operations, partly by the sale of insurance stock that I had in Philadelphia, partly by the sale of county bonds which I had held for many years in Iowa and Illinois, in the United States, and partly by a further advance which I obtained from Mr. Park when I went to the United States to look after my personal interests there, in the spring of last year. The result of all is that my original shares have been entirely paid for, and all the other unfortunate liabilities that I have incurred from my connection with the Emma Mine; and I think I owe now only about 12,000 or 13,000 dollars, 5,000 due in May, 1877, to Mr. Park, for which he holds a mortgage upon my real estate in Washington, and between 2,000 and 3,000 dollars to my bankers, Messrs. Drexel, Morgan and Company, of New York, who advanced to me on account, to enable me to pay off a note to Park for 5,000 dollars and interest, which became due last May. With your permission I will just add one further remark. I went into this investment with my eyes open, as I thought, upon clear showing that it would be profitable to me. I have lost. I am paying up or have paid up, and have not whined about it.

Question. Do you remember that in April, 1872, an arrangement was made for offering a certain number of shares of stock to the original subscribers?—Answer. Yes, I do; and I got some of that stock.

Question. Do you remember whether you were here or on the Continent when those shares would be applied for?—Answer. I have no clear recollection of it, without I had an opportunity to refer to papers or memoranda to refresh my memory; but either at the time I gave an order for an application for some of those shares which would be distributed to the original shareholders, or immediately after that, I was in Paris on a short visit; I cannot fix the date.

Question. You did apply for five hundred shares?—Answer. I did; and I was anxious to get all the shares I could, for the shares were offered by the company on distribution to the original shareholders for about £23 a share, or at any rate for a sum which was less than they were worth really at that time in the market. I knew if I could get the shares and was not able to hold them, I should make a good thing by it.

Question. How many shares did you receive upon that application?—Answer. Three hundred; I think I applied for five hundred and got three hundred.

Question. That is the fact. I ought to apologize for putting such a question; but I suppose I ought to ask you whether, at any time during or previous to your connection with this company, you entertained any

doubt as to the value of this mine, or the good faith of all who were connected with putting it upon the market?—Answer. I never did; and if you will permit me, in proof of what I felt about it, I will put in what I have found, and which will correspond with what is on record in the company's office, the draught of the resignation.

Mr. W. G. HARRISON. It is quite fair that it should be put in.

The WITNESS. It is in the archives of the company.

Mr. CHITTENDEN. At the time of your resignation, had you any suspicion of the good faith of the parties, or any less confidence in the value of the mine?—Answer. None whatever. I should wish the original put in of this resignation. I wish also to say that to my surprise, my resignation was not published in the paper for some time after I had given up all connection with the company. I hand in now the original draught of my letter of resignation, which I have no doubt will be found to accord precisely with that which must be in the archives of the company, and will only add the expression I then gave of my confidence in the value of the property, and the explanation of my purely personal reason for resigning was precisely in accordance with my feeling, understanding, and belief.

The document was handed in and is as follows:

LONDON, *December* 6, 1871.

SIR: I hereby resign my place as a director of the Emma Silver-Mining Company I request you to communicate this notice of the fact to the board at their next meeting In thus withdrawing from the trust reposed in me, I desire to express to my associates in the management of the company my sincere and high appreciation of each and every one of them as gentlemen of distinguished position and character, with whom it has been to me a pleasure to be connected. And I beg also to record my earnest assurance to you and to them that in giving up this position I am controlled by considerations purely personal to myself; and that I continue to have the fullest confidence in the value and profitableness of the property they have in charge, in which I still hold all the shares I have been able to take.

I am, very respectfully, your obedient servant,

GEORGE ANDERSON, ESQ., M. P.,
Chairman, &c., &c.

Question. Are you acquainted with Mr. Albert Grant?—Answer. I saw him once, I think, according to my present recollection, perhaps at the second meeting of the board of directors which I attended. A gentleman was presented to me, I believe, at the time as Mr. Albert Grant, but whom I had never known nor known of before that, and whom I think I have never seen since.

Question. Had you any negotiations with him in reference to this matter?—Answer. None whatever, and have no acquaintance with him beyond his being presented to me in the board-room one day, but that was followed by no conversation; and since you ask me that question, I wish to state further, that, according to my present recollection, when I consented to become a director of that company I did not know that there was such a person living as Albert Grant.

Cross-examined by Mr. W. G. Harrison:

Question. The thing I have to ask you is this: Have you any memorandum that will show you the exact date of your meeting with Mr Park, your having an introduction to Mr. Park?—Answer. Not exactly I do not know that I have. I am confident that it was in the latter part of October.

Question. You said it was a few days before the 1st of November?—Answer. Yes.

Question. How many times did you see him between the occasion o

your first introduction and the 1st of November?—Answer. I should think four or five times, because when they interested me in the examination into this matter I sat sometimes without their presence and sometimes in the presence of Mr. Stewart and Mr. Park examining papers at their room at Miss Edwards's hotel, where they were stopping.

Question. Did they interest you in the company upon the first occasion?—Answer. Upon my first meeting them?

Question. Yes.—Answer. No; I took some time.

Question. That is not the question. Was there any discussion upon the first occasion about this company?—Answer. No, I think not the first time.

Question. Was there any proposal made to you upon the first occasion?—Answer. Not the first day that I saw them.

Question. Can you say the first day upon which there was any proposal made?—Answer. I cannot fix the first day; perhaps it was in the closing week or ten days of October. I can only remember that I was for some four or five days revolving in my mind whether I would go into it, looking at the advantages offered me for raising the money for that purpose; but I spent most of my time in examining the papers and documents to see whether it was a valuable property into which I should go. I will recall your attention to the fact that I had heard of rich discoveries.

Question. You have said that already. I only want to ask things you have not said already. As I understand, the inducement for you to take the shares in the company was your having the money found for you and lent to you upon favorable terms.—Answer. The inducement for my taking the shares was that I became satisfied upon examination that it was really a very valuable property which would to the shareholders give handsome dividends; and I was willing to go into it when I found the difficulties would be removed about my obtaining money to make the investment; the inducement was the value of the property.

Question. The inducement was that you thought you were likely to make something of the money that you could get upon favorable terms?—Answer. The inducement was to make a permanent investment which would add to my income.

Mr. CHITTENDEN. He has said nothing about favorable terms.

Mr. W. G. HARRISON. I am suggesting this in cross-examination as the effect of what he has said. I want particularly to know when the first proposal was made to you that you should have money lent to you to buy shares?—Answer. That, I think, must have been after talking over the matter for two or three days, and my being entirley satisfied that this was a good and valuable property, which would be a good investment of money, if I had only money to invest. And, as I stated before, my objection was that even if I should be satisfied of the value of the property I had not the means to invest.

Question. Were they anxious that you should be a shareholder in the company?—Answer. I think they did desire that I should become a shareholder.

Question. Did either Park or Stewart tell you why?—Answer. I think they both felt friendly to me, and Mr. Stewart had been a friend of mine a great many years.

Question. Why should Park be desirous that you should make a favorable investment?—Answer. I think it is probable Mr. Park knew that my circumstances were not such as to lift me above the need of adding to my income if I could. He was an American, I was the American minister here, and he might have desired that the American

minister should be connected with the Emma Mine. I did not go int his motives so much as I did into my own.

Question. A man is introduced to you, and you knew nothing of hir before?—Answer. I beg pardon; Mr. Evarts, my intimate friend, in formed me about Mr. Park, and I dined with him at Mr. Evarts's table and I made some acquaintance with them both. Mr. Stewart I hac known many years.

Question. Dining with him at your friend Mr. Evarts's table wa: not sufficient inducement for him to lend you a considerable sum o money for the purpose of speculating in the company?

Mr. CHITTENDEN. I must object to these imputations. I protes against Mr. Harrison making imputations which do not come out of this evidence. Nobody has talked about loaning money for speculating ir the company.

Mr. W. G. HARRISON. I must object in the strongest possible manne to being interrupted in the course of my cross-examination by Mr. Chit tenden. I make no imputations at all. I ask questions, and I have a right to put in cross-examination any term which I think is proper.

(To the witness.) Be kind enough to give your mind to the questions as I put them to you. If I suggest something that is incorrect, you may stop and say, "That is not correct." Now, I want to know this You have suggested that you had seen this Mr. Park, and had dined with him at your friend Mr. Evarts's. Do you suggest that was a suffi cient reason to induce him to lend you money for the purpose of invest ment in the Emma Company?—Answer. I made no such suggestion.

Question. Now, I ask, was there any special or particular reason why Mr. Park should lend you a sum of money for the purpose of investment in the company rather than to any other person?—Answer. I think there was.

Question. What?—Answer. In the first place, although I might no have been personally known to Mr. Park, I have no doubt I was know to Mr. Park by reputation. I think that my reputation as a public mar and my personal character was sufficient to have satisfied Mr. Park o any other American gentleman that I would be a person very propert be associated with them if they could induce me to go into any compan in which they were likely to be concerned here.

Question. Did any American gentleman, relying upon that reputatio which you possess, ever make you a similar offer to lend you money fo the purpose of joining in any undertaking?—Answer. I have had suc offers repeatedly made to me; my motive for going into this was n any consideration of Mr. Park's object in asking me to become a shar holder, but to increase my own income by putting the money, if I cou raise it, into the company, which, by its dividends, would give me wha I much needed—a permanent increase for my livelihood.

Question. Did Park tell you that any of the proposed directors we affected by your joining the company?—Answer. Never.

Question. Or Mr. Stewart?—Answer. Nor Mr. Stewart. I was n personally acquainted with these directors, but upon being told wl they were I made inquiries of English friends here and satisfied myse that they were as represented to me—members of Parliament and ge tlemen of consideration, position, and character.

Question. That has nothing to do with the question I put, which w whether Park told you that your name had been held out as a conside ation or inducement to any of these people to join the company.—A swer. He told me nothing of the kind.

Question. Was the agreement which was made with Park for the loan of the money reduced into writing?—Answer. It was.

Question. Have you it?—Answer. I have it at my house.

Question. I must ask you for it.—Answer. I will produce it.

Question. Do all the arrangements between you and Park appear in writing?—Answer. The note that I gave him on his undertaking to obtain this stock for me and our final settlement and the indorsments on the note. Do you mean outside conditions or understanding?

Question. Was there anything outside that which appears in the documents?—Answer. None.

Question. They all appear in the documents?—Answer. Yes.

Question. If you produce the documents the court will be able to judge of them.

Mr. CHITTENDEN. I will undertake to produce all the contracts upon this trial of the case. I will undertake to produce all the documents betwen General Schenck and Mr. Park and Mr. Stewart, upon the trial of this case.

Mr. W. G. HARRISON. Was there an agreement at any time with Park that your dividends in the company should be guaranteed for any particular time?—Answer. Yes. Mr. Park gave me an assurance that the dividends would be as much as two per cent. per month, for the first year, but afterward said that he doubted whether they would amount to that, and asked for a modification so as to make it 1½ per cent., accompanied by an agreement upon my part that I would sell the stock back to him at par, at any time within a year, if he should tender it to me; he did make me a tender at par, and I refused to let him have the stock.

Question. Does all that appear in writing?—Answer. Not the offer.

Question. Does the agreement appear in writing?—Answer. Yes; I believe it is all in writing; it is a year, almost, since I have seen the papers, namely, when the last indorsement was made upon them; but I am sure I have it at my house. Now, Park's tender to me, of course, of the par value of the stock, which I refused, does not appear in writing.

Question. But the agreement that he should guarantee you a certain rate of dividend for a year does appear in writing?—Answer. I think that is upon the contract itself.

Question. But if it is not, it is the fact that he did guarantee you a certain rate of dividend?—Answer. Yes; he did; but subject to the further condition that he making that guarantee, I must sell the stock back to him at par if he tendered me it within a year, which I felt was a very safe bargain. I wish to add that I did receive my dividends at the rate of 1½ per cent. for 13 months, when, to my very great regret, the company tumbled, and my income was so far stopped.

Question. When was it first proposed to you, and by whom, that you should be a director?—Answer. It must have been some time between the 1st and 3d, I think, of November, because I find in that note from Mr. Stewart that he was trying to satisfy me on the 3d of November as to the kind of gentlemen with whom I would be associated, if I consented to become a director.

Question. Do you recollect any particular interview that you had between the 1st and the 3d?—Answer. I do not.

Question. Probably you may not have had any at all?—Answer. I have no doubt that I had, because it was a very serious thing for me to go into an investment to that extent, and I was in pretty constant communication with the gentlemen in the evenings when I was at leisure, and I saw them, if not every day, frequently for a period covering a week to ten days.

Question. Was not there a prospectus prepared, with your name in it as a director, at an earlier period than the 3d of November?—Answer. Not that I know of.

Question. You saw the prospectus that was prepared and issued with your name?—Answer. I saw the prospectus when it was issued with my name on it.

Question. Did not you see it before it was issued?—Answer. I do not recollect; I do not think I ever saw it until it was in print.

Question. Do you know that there were several editions of it which were discussed?—Answer. No; I have no clear recollection of that. The great question with me was whether I should assent or not to permitting my name to go upon the board of directors, and to be satisfied that what was contained in the prospectus, when shown to me, was substantially what I believed; and I think probably before it was issued a copy of it had been shown to me to see whether it conformed with my ideas.

Question. When was it first proposed to you to be a trustee?--Answer. I do not know, but I think about the same time. I had no particular objection to it after the explanation given to me that the trustees would have no responsibility of any kind, except to pass the title to the property upon the report or opinion given by the solicitors of the company, who were Mr. Bompas and another, that it was proper that they should do so, and that all the conditions had been complied with.

Question. You are quite clear that the first notion of your being a director, or being a trustee, was after the arrangement had been made to lend you the money?—Answer. I am certain of that, because I should not have been able to go into the company without.

Question. Did not it occur to your mind that it would have been better then to have had nothing to do with that agreement to lend you the money after you consented to become a trustee of the company?—Answer. The proposition to lend me the money came out in this way. I objected that, although it seemed to me that here was an exceptionally good thing, and they wanted me to be a shareholder, I did not care about becoming a shareholder unless I could invest enough to make it an object by a considerable increase to my income, and then it was that after some interviews, and some negotiations as to terms, and how I could give security, the proposition was made to advance money.

Question. Did not it occur to you that your name as a trustee to the company might be regarded by the outside public as some guarantee for the company?—Answer. I thought it would be. I thought the name of any respectable gentleman—and I hoped I was such—would be an advantage to the company, either as a trustee or a director, and that made me consider the matter very thoroughly, and not consent until my objections were removed in regard to having anything to do with the management; and particularly because I had a doubt about the propriety of a diplomatic representative appearing in such matters, it was not until these instances were given to me, and particularly this prospectus of a company that was before the London public, that I assented to my name being used.

Question. What do you say were the objections you had that you referred to in your last answer?—Answer. The objection to which I refer is that which I have repeated several times, my doubt as to the propriety, under any circumstances, of a diplomatic agent becoming connected in this way with the company in its management.

Question. Is that the only objection to which you refer?—Answer. That is the only one that I remember now to which I refer. I spoke

of another thing, that I required that I should know with whom I was to be associated. I objected to go into the company until I should know that the gentlemen with whom I was to be associated in the board of directors would be gentlemen with whom it would be agreeable to be connected, and I also wished to have removed, before I would consent or decide, any hesitation that I might have in reference to my diplomatic character.

Question. Did not it occur to you that having a contract or agreement with one of the vendors of the mine to the proposed company was an objection to your being either a director or trustee, quite irrespective of your diplomatic position?—Answer. I may have been very obtuse, but, under all the circumstances, it did not occur to me that I might not get the money from any source from which I could raise it upon fair terms, and I would have borrowed it from you or from Mr. Turner, or any one else, when I was entirely satisfied. Mr. Park was very favorably introduced to me by a gentleman of very high position, Mr. William Evarts, an intimate friend of mine. I was informed who and what Mr. Park was, and of his being wealthy, and was satisfied of his ability to make the contract with me to furnish me with the funds, and I had every reason to think Mr. Park and those associated with him, Mr. Stewart and others, were willing to befriend me if they could without sacrificing their own interests in any way.

Question. I am asking you the question, did not it occur to you that you ought not to be befriended by the vendors to the company of which it was proposed you should be a trustee and a director?—Answer. It did not; because at that time, and not until long afterward, was there ever a breath of objection made to this company or anybody connected with it upon the ground that there was anything that was not fair, direct, and square in it. I was making an investment in what was presented to me as a good and profitable purchase of shares, and I was very willing, when I found that I could raise the money, to get that money and to make that investment; and these considerations to which you now advert are considerations which might have arisen after (to the surprise of myself and others) any question was raised about the honest origin of the company, but which at that time nobody thought of.

Question. Do I understand you to say that you thought the company would be successful?—Answer. I did.

Question. Did you think the shares would probably go to a premium?—Answer. I do not know. I thought they probably would if it continued to make such dividends as I was assured it would make.

Question. That it would go to a considerable premium?—Answer. I supposed it might; but my object was not to sell the shares, but to make an investment to add to my income.

Question. So I understand, and you have said so several times. You have said that some question arose in your mind as to who the directors were to be who were to sit upon the same board with you.—Answer. Yes.

Question. It was a matter of importance?—Answer. I would not, of course, have gone into it or any other board without being satisfied as to the character and position of the directors.

Question. Were you told by Mr. Park that any arrangement had been made by which the directors on that board were to have their qualifications given to them, or any of them?—Answer. I was not.

Question. Or Mr. Stewart?—Answer. Nor Mr. Stewart—by neither of them, neither then nor since.

Question. You say you never heard. Were you told by Park or Stewart,

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Question. When was it first proposed to you to be a trustee?--An swer. I do not know, but I think about the same time. I had no pa ticular objection to it after the explanation given to me that the trustee would have no responsibility of any kind, except to pass the title to th property upon the report or opinion given by the solicitors of the com pany, who were Mr. Bompas and another, that it was proper that the should do so, and that all the conditions had been complied with.

Question. You are quite clear that the first notion of your being director, or being a trustee, was after the arrangement had been mad to lend you the money?—Answer. I am certain of that, because I shoul not have been able to go into the company without.

Question. Did not it occur to your mind that it would have been be ter then to have had nothing to do with that agreement to lend you th money after you consented to become a trustee of the company?—An swer. The proposition to lend me the money came out in this way. objected that, although it seemed to me that here was an exceptionall good thing, and they wanted me to be a shareholder, I did not ca about becoming a shareholder unless I could invest enough to make an object by a considerable increase to my income, and then it was th after some interviews, and some negotiations as to terms, and how could give security, the proposition was made to advance money.

Question. Did not it occur to you that your name as a trustee to tl company might be regarded by the outside public as some guarantee f the company?—Answer. I thought it would be. I thought the name any respectable gentleman—and I hoped I was such—would be an a vantage to the company, either as a trustee or a director, and that ma me consider the matter very thoroughly, and not consent until my o jections were removed in regard to having anything to do with the ma agement; and particularly because I had a doubt about the proprie of a diplomatic representative appearing in such matters, it was n until these instances were given to me, and particularly this prospect of a company that was before the London public, that I assented to n name being used.

Question. What do you say were the objections you had that y referred to in your last answer?—Answer. The objection to which refer is that which I have repeated several times, my doubt as to t propriety, under any circumstances, of a diplomatic agent becoming co nected in this way with the company in its management.

Question. Is that the only objection to which you refer?—Answ That is the only one that I remember now to which I refer. I spo

of another thing, that I required that I should know with whom I was to be associated. I objected to go into the company until I should know that the gentlemen with whom I was to be associated in the board of directors would be gentlemen with whom it would be agreeable to be connected, and I also wished to have removed, before I would consent or decide, any hesitation that I might have in reference to my diplomatic character.

Question. Did not it occur to you that having a contract or agreement with one of the vendors of the mine to the proposed company was an objection to your being either a director or trustee, quite irrespective of your diplomatic position?—Answer. I may have been very obtuse, but, under all the circumstances, it did not occur to me that I might not get the money from any source from which I could raise it upon fair terms, and I would have borrowed it from you or from Mr. Turner, or any one else, when I was entirely satisfied. Mr. Park was very favorably introduced to me by a gentleman of very high position, Mr. William Evarts, an intimate friend of mine. I was informed who and what Mr. Park was, and of his being wealthy, and was satisfied of his ability to make the contract with me to furnish me with the funds, and I had every reason to think Mr. Park and those associated with him, Mr. Stewart and others, were willing to befriend me if they could without sacrificing their own interests in any way.

Question. I am asking you the question, did not it occur to you that you ought not to be befriended by the vendors to the company of which it was proposed you should be a trustee and a director?—Answer. It did not; because at that time, and not until long afterward, was there ever a breath of objection made to this company or anybody connected with it upon the ground that there was anything that was not fair, direct, and square in it. I was making an investment in what was presented to me as a good and profitable purchase of shares, and I was very willing, when I found that I could raise the money, to get that money and to make that investment; and these considerations to which you now advert are considerations which might have arisen after (to the surprise of myself and others) any question was raised about the honest origin of the company, but which at that time nobody thought of.

Question. Do I understand you to say that you thought the company would be successful?—Answer. I did.

Question. Did you think the shares would probably go to a premium?—Answer. I do not know. I thought they probably would if it continued to make such dividends as I was assured it would make.

Question. That it would go to a considerable premium?—Answer. I supposed it might; but my object was not to sell the shares, but to make an investment to add to my income.

Question. So I understand, and you have said so several times. You have said that some question arose in your mind as to who the directors were to be who were to sit upon the same board with you.—Answer. Yes.

Question. It was a matter of importance?—Answer. I would not, of course, have gone into it or any other board without being satisfied as to the character and position of the directors.

Question. Were you told by Mr. Park that any arrangement had been made by which the directors on that board were to have their qualifications given to them, or any of them?—Answer. I was not.

Question. Or Mr. Stewart?—Answer. Nor Mr. Stewart—by neither of them, neither then nor since.

Question. You say you never heard. Were you told by Park or Stewart,

or any one, as to arrangements made with Messrs. Jay Cooke, McCulloch or Mr. Puleston for paying to that firm the sum of £25,000 or any other sum?—Answer. I was not. I only know that Mr. Puleston a member of that firm, and Mr. Anderson, who was one of the director were proposed, if I would consent to be a trustee, to be associated wit me as trustees for the purpose of passing the property.

Question. You were not told that Mr. Anderson was to have an share?—Answer. I was not, neither then nor since.

Question. You say you never heard of Albert Grant; may I assun that you were not very well acquainted with commercial matters in th city of London?—Answer. I was not well acquainted with them.

Question. And you had not, I assume, been upon other directions?- Answer. Not here; I have been, at home, upon many boards of direc ors. I am now, in England, however, ex-officio trustee of the Peabod fund, with Lord Derby and others.

Question. You did not know that Albert Grant was promoter of th Lisbon Tramways Company?—Answer. I am not sure that I remark it in the prospectus.

Question. You would not see it in the prospectus?—Answer. I d not; I had no acquaintance with Mr. Albert Grant, and Mr. Albe Grant was not mentioned to me.

Question. You were not told by Park or Stewart that there was a arrangement between Park and Grant by which Grant was to g £100,000 upon the formation of the company?—Answer. I was not.

Question. You knew, I suppose, what the capital of the propos company was to be?—Answer. Yes.

Question. Would it be material, in your judgment, that capital shou be reduced by £100,000?

Mr. CHITTENDEN. I object to that as a question of law and a wrongf assumption.

Mr. W. G. HARRISON. In your opinion would it be a material circu stance?—A. Yes. If I had five hundred shares in a company the aggr gate capital stock of which was $100,000 less, then my shares would worth more pro rata. That is rather a question of arithmetic.

Question. Did any one tell you that the attorneys of the compa were to have £2,000 upon its formation?—Answer. At this moment do not know it. I never heard anything of the kind said until y asked me the question.

Question. And that the auditors, Kemp & Company, were to ha £1,000?—Answer. No.

Question. That the broker, Mr. Rowsall, was to have £1,000? Answer. I never heard of it.

Question. That Coates & Hankey were to have 10,000?—Answer. know nothing of that. My impression now is that at the time I hea that Coates—I do not know about Hankey—had been the person or inally applied to to put the stock upon the market, and that they h failed, and that they were now looking for somebody else, and had cured somebody else.

Question. You know Fisher?—Answer. Yes.

Question. Did Fisher, by any chance, press you to be connected wi this company?—Answer. Not at all; but he would not have influenc me. I doubt if he knew anything at all about this company unless picked it up in some way.

Question. You told us that you thought, or at least so I understo it, that the interest of the Americans in the company was not su ciently represented at the board.—Answer. No; I did not mean th

I said that among the representations made to me to induce me to consent were that I would be protecting my own interests and the Americans' interests in the company which would not be represented, perhaps, by more than two or three others; the body of the directors, who I believe were to be nine, being certainly Englishmen.

Question. Baxter, Park, and Stewart are the vendors?—Answer. I do not know that I knew that.

Question. Did not they tell you that?—Answer. I do not know Baxter.

Question. Not General Baxter?—Answer. No; his name may have been mentioned. I understood that Park and Stewart were here with sufficient power of attorney to represent everybody interested in that company. I did not concern myself beyond that.

Question. But here is a prospectus which goes out with your authority.—Answer. Yes; it appears in the prospectus.

Question. General Baxter, Trenor Park, president of the national bank. There are Baxter, Park, and Stewart, undoubtedly Americans?—Answer. Yes.

Question. If Anderson, Willyams, Pemberton, and Stanley were all qualified by Mr. Park, or those with whom he made his arrangement, should not you think the American interest sufficiently represented?—Answer. I did not know that they were qualified by Mr. Park.

Question. If you had known it.—Answer. It may have been a certain arrangement in conformity with your English customs, but not one to which I am at all used.

Question. Would it be a material circumstance?—Answer. You are putting hypothetical cases.

Question. Would it be a material circumstance in your giving your judgment as to whether you would be connected with the company?

Mr. CHITTENDEN. I object to this question as supposititious.

The WITNESS. I must stand upon the answer given you, that the names of several gentlemen were mentioned to me outside of Park or Stewart, and I made inquiry through one or two friends and one or two members of Parliament. I was not acquainted personally with those gentlemen. I asked who were these gentlemen, Pemberton, George Anderson, and so on.

Question. Those gentlemen are directors of the company.—Answer. I know it, but this was before I consented that my name should be associated with theirs. I ascertained the names of the different persons. You may put in evidence the note to me from Mr. Stewart in answer to inquiries that I made. I inquired from one or more members of Parliament, I believe, who were among my acquaintances, and I learned that these were really members of Parliament and gentlemen of consideration and position, and I satisfied myself upon the matter. That is one of the objections that I might otherwise have had to going into the company or having my name used. You must remember that I had then been but a few months in England, and was without previous acquaintance with these gentlemen, knowing a few members of Parliament, and a few gentlemen connected with the government, and hardly having an acquaintance in the city. I do not believe that I knew anybody there beyond my own bankers. It is due to myself that I should mention that.

Question. Were you told by Mr. Park what his arrangements were with Professor Silliman, whose report is published?

Mr. CHITTENDEN. I object to the question, because he had no arrangement with Professor Silliman.

The WITNESS. Mr. Park told me that this report of Silliman was a report made by him to Mr. Coates, who was applied to to promote the company, and who had selected Mr. Silliman to make the report. He told me nothing else about it, except one fact that surprised me a little but I accounted for it by the haste with which they were doing their business; the report, I think, was telegraphed—it was sent over by telegraph.

Question. Mr. Park did not tell you this, that Mr. Coates knew nothing whatever of Silliman; and that in point of fact he was suggested by Fisher.—Answer. He told me nothing of the kind. And in reply to that I beg to say that if Mr. Park had intimated to me anything that might be construed into a corrupt arrangement with anybody in the promoting and starting of this company, I would have had nothing to do with it.

Question. That is what I should have thought; and I want to know whether in truth or in fact he did tell you matters he ought to have told you about. Did he tell you by whom Professor Silliman was to be paid?—Answer. No.

Question. Or what he was to be paid?—Answer. I did not inquire nor did he tell me.

Question. Or Stewart, or anybody?—Answer. Nor Stewart or anybody. My concern was to get into the company if I could, and take some shares, and get the means to pay for them. I had nothing whatever to do with the vending of the property or the "promotion" of this company, which is your word for getting it on the market, and, therefore, it is not likely that I should know.

Question. Just look at that prospectus, which I understand went out under your authority along with the other gentlemen [handing a prospectus to the witness.] From what source did you get these statements beginning "on the completion of the purchase" and ending with "&c. &c."?—Answer. I got them from statements of account, bills of lading and sales and estimates submitted to me amongst the papers.

Question. Could you not have got this statement from that source "From the 2,800 tons first-class ore now at railway stations being forwarded to England?" Were not the statements to which I have referred obtained from Silliman's report?—Answer. I cannot at this time answer more specifically than I have done, that with great care I went over Silliman's report, bills of lading, consignments, statements which were submitted to me freely and fully; and I satisfied myself that these statements were correct.

Question. Will you look at Silliman's report. Were not those statements in the prospectus taken from Silliman's report?—Answer. Some of them were.

Question. Can you tell me any other source from which they were taken?—Answer. I can tell you this, that, besides Silliman's report there were a great many papers submitted to me for examination, consisting of drawings of the mine, diagrams, and explanations of the working of the mine, bills of lading, sales of ore that were made at Liverpool, and, may be, Swansea and London. There was also a statement of a bank-account, which I believe the trustees afterward found to be correct, showing a balance in hand of £46,000; and all those things taken together, which I cannot now separately remember, satisfied me that the statements in the prospectus were correct at the time.

Question. I draw attention to a matter not taken from account-sales "The mine includes about 13,250 tons of first-class ore already developed in various parts of the mine, and described in Professor Silliman's re

port of the estimated net value" of so and so. That is what I am drawing your attention to. Can you tell me any other source from which those statements in the prospectus were obtained than Professor Silliman's report?—Answer. My impression is that they were obtained from Professor Silliman's report, fortified by other statements and papers submitted to me.

Question. What papers?—Answer. I cannot remember the specific character of the papers any further than I have stated them. I probably would not be able to identify one of the papers, if I saw it now, I had laid before me freely and fully when I consented to look into this matter to see whether it was a company I should like to take shares in—papers answering the description I have given you.

Question. Were any papers laid before you which were not laid before the other directors?—Answer. I presume not, but I know nothing about it; there was nobody else that was a director present with me when I made my examinations.

Question. What other materials were there besides account-sales, and Professor Silliman's report, and Professor Blake's report?

Mr. CHITTENDEN. I object to the question upon the ground that it has been substantially put and answered at least five times.

Mr. W. G. HARRISON. It has not been answered, and that is why I desire it answered. I want to know specifically, and not in general terms, to what other documents you can refer besides bills of lading, account-sales, plans, and Professor Sillman's report.

Answer. I think there was a statement of a bank-account showing a balance which I thought signified that it was a very good company at the time of sale; some £46,000 in the bank. As you repeat the question, I must repeat my answer.

Question. I am asking you can you specify the particular documents?—Answer. I thought I had specified, and I now specify again.

Question. I am asking you whether you can specify with particularity, so that we may identify them, anything else besides bills of lading, account-sales, plans of the mine, Professor Silliman's report, and the bank-account.—Answer. I do not at this moment recall anything else. I think there was a report or an extract from a report of Mr. Blake. I do not remember anything else; but there were a great many papers submitted to me, and they were of the general character I have mentioned. Will you permit me to add that my object in this investigation that I was making was to satisfy myself in reference to the property of the company as being a good investment for taking shares in, and it was not an investigation that I made with a view of becoming a director or a trustee or anything else, excepting putting my money into it.

Question. When you had done so, and had agreed to become a director as was suggested to you, what steps were taken for the purpose of ascertaining the truth of the statements contained in the prospectus put forward under your name?—Answer. When the prospectus was submitted to me I compared or endeavored to compare it with the conclusions that I had arrived at, and the statements that had been made in these papers which were submitted to me when I became a shareholder.

Question. Do you mean submitted to you by Mr. Park and Mr. Stewart?—Answer. Submitted to me by Mr. Park and Mr. Stewart; and being satisfied that what was contained in the prospectus was really true, I consented to become a director upon the same testimony as that upon which I agreed to become a shareholder.

Question. You say you saw some report of Professor Blake; did you

ever see two reports of Professor Blake?—Answer. I do not think I ev did.

Question. Cannot you say more than that, as I wish you to be ce tain?—Answer. My present recollection is only of a report from whic an extract was made which was incorporated in the prospectus, what ever that was.

Question. You never saw another one besides that?—Answer. I dc not think I ever did. I am quite sure I did not.

Question. Can you tell me any reason why the whole of Professor Blake's report was not published as well as Professor Silliman's.—Answer. I do not know. I suppose Professor Silliman's being the fullest, strong est, and most direct, they could not very well incumber the prospectus with everything they had upon the subject of the mine. I do not know whether they published the whole of Professor Silliman's report in the prospectus. I believe they did.

Question. Did either Mr. Park or Mr. Stewart tell you that they had bought the mine for the purpose of selling again?—Answer. I do no know. I should naturally suppose they did, but I do not remember tha either of them ever spoke of it in that way. I remember, and that wa one thing that strengthened me in my willingness to go into it at all that Mr. Park seemed to be anxious to retain in a good degree a con trolling number of shares in the mine.

Question. Did not it occur to you that that might possibly lead to control of the company?—Answer. I suppose it would. If any owne of property which was to be converted into a joint-stock company, de sired to retain more than half the shares, I should infer that while he believed in the shares and the property, he at the same time wished t protect his own interest by having the control of the company; that a fair inference.

Question. I assume that Mr. Stewart did not tell you that it was hi opinion that the mine was worked out?—Answer. No.

Question. Do you recollect whether anybody in particular suggeste to you retiring from the direction?—Answer. No. I determined to re tire from the company the moment I saw attack made upon me in th newspapers here and at home, misrepresenting my position. I asked n advice of anybody, but immediately telegraphed to my Government.

Question. You say it was entirely of your own motion, and it was no suggested by anybody at all?—Answer. No.

Question. Did I understand rightly that Mr. Park advanced the mone to you as the calls were made upon the shares?—Answer. Yes; the were made very rapidly. I was anxious to pay up as rapidly as possi ble.

Question. Afterward, in the spring of 1872, you say you had some fu ther dealings in shares.—Answer. What do you mean by "furthe dealings in shares?"

Question. You made some further purchases of shares?—Answer. I have already told you that a gentleman wanted to go in and buy th shares.

Question. I thought you had two other transactions.—Answer. No; it was this. Something which I did not understand connected with the quotations to be made upon your Stock Exchange made it necessary that the vendors should not hold so much stock. In order that they might get their stock put upon the quotation, under some rules of your ex change, they demanded from Mr. Park that he should sell out to the company or put upon the market, so that they should go to English holders, or other persons than the original vendors, a sufficient numbe

of shares to bring them within that rule. The result of it was, as I understood it, (because I know nothing about the details of the transaction,) that they offered to let the original shareholders come in and subscribe for these shares at the rate at which the company took them from Mr. Park; and my recollection is that that was about £23 a share. I was aware, as one of the original stockholders, that the shares were really then worth more than that, and would probably be, in a very short time, worth more on the market than that sum. I was anxious, therefore, to avail myself, as one of the original shareholders, of this offer, and to get what I could allotted to me. My recollection is that I applied for 500 shares, and I only got 300 shares allotted to me; and those 300 shares I afterward sold at a premium.

Question. Did Mr. Park find the money for those shares?—Answer. He had nothing whatever to do with it; as a director he may have used his influence to get them allotted to me. I think he tried to get them to allot me 500.

Question. Individually, did he have anything to do with it?—Answer. Not at all. It was the one grain of comfort that I had out of the Emma Mine, that I sold those shares for £3 or £4 more than I gave for them. If I got them at £23, I sold them at £26 or £27.

Question. You sold those shares to Fisher, did you not?—Answer. No; if they passed through Fisher, it was without my knowledge.

Question. They were transferred into his name.—Answer. I know nothing about that.

Question. You had no transactions in shares with Fisher, had you?—Answer. None at all with Fisher.

Re-examined by Mr. Chittenden:

Question. Will you state, as near as you can, the time when Mr. Park offered to take this stock, for which you originally subscribed, from you?—Answer. It was when he was about to leave here for the United States, but when that was I do not know. I think it was some time in the early part of the year 1872. He came to me and said, "By the terms of our agreement I have guaranteed that stock, and I am obliged to offer you, as one of the conditions accompanying the guarantee, to take that stock, and I will take it." I laughed at him and said, "Not when the stock is considerably above that in the market."

Before signing the above deposition, having looked over it as written out from the short-hand notes, I desire to add as follows on two points:

1. As regards my application made for an allotment to me, as an original shareholder, of 500 shares of the subscription in the spring of 1872, and the allotment of 300 shares, I have stated that Mr. Park had nothing individually to do with those shares. I would explain that he may have handed in my written application and attended to the business for me. What I mean is, that he had no interest in the shares allotted to me, but that I carried them and disposed of them entirely on my own account and through my own means and arrangement.

2. As to the disposal of those 300 shares, when I state that I never sold them or any other shares to Fisher, I wish to say further that I remember I signed a transfer in the usual way and form, in blank, left the matter then to be arranged by the person who was acting for mer and if that form was filled up in Fisher's name or signed by him it wa, without my knowledge or privity. I, in fact, never knew to what pas ticular person they were sold, or to whom they were transferred, os through what hands they passed after I gave my signature, which war necessary for their transfer from my name.

ROBERT C. SCHENCK.

KINGDOM OF GREAT BRITAIN AND IRELAND,
City of London:

I, George Lewis Phipps Eyre, a commissioner for the State of N York residing in the city of London, in the Kingdom of Great Brita and Ireland, do certify that on the seventeenth day of September, o thousand eight hundred and seventy-five, at 58 Great Cumberlan Place, in the parish of Saint Marylebone, in the county of Middlese personally appeared before me, Robert C. Schenck, the signer of th foregoing deposition, and made oath that the same had been read b him, and was true to his best knowledge, information, and belief.

In witness whereof, I have hereunto set my hand and official seal a the city of London, in the kingdom aforesaid, this seventeenth day o September, one thousand eight hundred and seventy-five.

[SEAL.] G. L. P. EYRE,
A Commissioner for the State of New York.

(Copy.)

LONDON, *November* 1, 1871.

Having this day made and delivered to T. W. Park my promisso note for ten thousand pounds, the consideration for which is, that su to be paid for five hundred shares in the Emma Silver-Mining Co pany, and with the agreement that if that number of shares of th capital stock shall not be allotted to me or distributed by the board directors, he, the said Park, shall make up to me that number: No then, further to secure to said Park the said sum of £10,000 in one ye from this date, I hereby agree to assign, and do assign, to him, wi power to demand a transfer of the same on the books of the compan four hundred and seventy-five shares of my said stock after the same allotted or assigned to me, at the end of one year from this date, or any time thereafter, and to apply the proceeds, not exceeding the amou then due on said note, to the payment thereof. And in addition to th pledge of stock, and as other security on said note, if required by sa Park, I hereby agree to execute and deliver to him at any time with one year, on demand, a mortgage of my house and lot in Washingt City, in the United States, at the corner of Fourteenth street and Ma sachusetts avenue, which I claim to be worth at least thirty thousa dollars, and guarantee to be subject to no other incumbrance except deed of trust and note for five thousand dollars ($5,000) in the hands Riggs & Co., bankers of that city, being a part of the purchase-mone yet due from me and held for the benefit of Mrs. Adams.

Witness my hand on the day and year above written.

ROBT. C. SCHENCK.

(Written across face:) "Mortgage given for balance, and this pape canceled and given up on settlement.

"May 13, 1874.

"T. W. PARK."

LONDON, *November* 1, 1871.

£10,000.

On or before the 1st day of November, 1872, I promise to pay Trenc W. Park ten thousand pounds for value received.

ROBT. C. SCHENCK.

(Written across the face:) Secured by collaterals.

Whereas Robt. C. Schenck proposes to subscribe for (£10,000) ten thousand pounds par-value of the stock or shares in the Emma Silver-Mining Co., (Limited,) a company proposed to be formed in London; and whereas I represent the owners of the property to be sold said company, and am the vendor of the property to be conveyed, and receive in part payment of the purchase-money the amount to be paid by said Schenck on his proposed subscription:

Now, in consideration thereof, and of other good considerations, I hereby promise and agree with said Robt. C. Schenck that said stock or shares shall pay a dividend of two per cent. per month while held by said Schenck, or that I will at any time, on the request of said Schenck, take from him said stock or shares and pay him therefor the par value.

Provided, always, that if at any time I offer to take said shares or stock from said Schenck and pay him therefor the par value, and said Schenck declines to receive par for said stock or shares, then I shall from that time be fully discharged from this agreement.

T. W. PARK.

LONDON, *November* 1, 1871.

Dec. 2, 1871.—MEM.—I have agreed that the guarantee of the dividend of two per cent. per month shall be reduced to one and a half per cent. per month.

ROBT. C. SCHENCK.

KINGDOM OF GREAT BRITAIN AND IRELAND,
City of London:

I, George Lewis Phipps Eyre, a commissioner for the State of New York, residing in the city of London, in the Kingdom of Great Britain and Ireland, do hereby certify that I have compared the foregoing copies of agreement dated 1st day of November, 1871, signed by Robert C. Schenck, his promissory note of same date, and agreement dated the 1st day of November, 1871, signed by Trenor H. Park, with the originals thereof, and that the same are true, correct copies of the said documents and of the whole thereof.

In witness whereof I have hereunto set my hand and seal at the city of London, in the kingdom aforesaid, this seventeenth day of September, one thousand eight hundred and seventy-five.

[SEAL.] G. L. P. EYRE,
A Commissioner for the State of New York.

R. C. S., 2.] LONDON, *November* 3, 1871.

MY DEAR GENERAL: I have called twice to see you. Failing to see you, I send this note. They have been very successful in securing directors for the Emma. The following names have been agreed upon, namely:

E. Brydges-Willyams, M. P. for Cornwall, banker and smelter; very wealthy and high character.

E. Lee Pemberton, M. P. for West Kent; large landed proprietor.

Hon. John C. Stanley, heir to Lord Stanley, of Alderney; very wealthy.

The names under consideration and not yet decided upon are:

George Anderson, M. P. for Glasgow, coppersmith; large wealth.

Anthony P. Mendella, M. P. for Nottingham.

Sir William Grey, late governor of Bengal.

We may have nine directors, but they will all be of the standing of

the foregoing names. I leave to-night for Paris, with my family. S return Sunday night. Hope to see you Monday. By that time you have learned all about the names proposed.

Yours truly,

WM. M. STEWAR

Hon. ROBERT C. SCHENCK,
Minister of the United States at London.

This is the document marked R. C. S., 2, referred to in the ann deposition of Robert C. Schenck, sworn before me on the sevente day of September, one thousand eight hundred and seventy-five.

G. L. P. EYRE,
A Commissioner for the State of New Yo

EMMA MINE.

Albert Grant's statement.

The following circular has been addressed to the shareholders of the Emma Mining Company, (Limited :)

GENTLEMEN : For nearly two years past, as many of you are aware, I have been attacked with every form of scurrilous abuse which a perverted imagination can devise, both by circulars and newspaper paragraphs, by a person of the name of MacDougall, in reference to the affairs of the Emma Mine. This man is a perfect stranger to me in every way. I have never had any transactions with him, or he with me; and he never subscribed for any shares in the company to entitle him to interfere with its affairs.

I know nothing of him except that I am informed he is a well-known speculator on the Stock Exchange in Erie Railway shares for the fall, and having purchased shares in the Emma Mining Company at about £1 10s. per £20 shares, for evidently speculative purposes, he has presumed upon this to issue offensive circulars from time to time respecting myself and the original directors, a body of gentlemen of high position.

I have hitherto treated with indifference all the provocations that this person has deliberately laid for me, nor should I depart from the contemptuous silence such conduct from such a man alone deserves, were it not that persistent reiterations of unfounded statements, if not contradicted, may create in the minds of some of the shareholders an impression that in some way I have acted in a manner not worthy of my position.

Nor is this the only reason which induces me to break silence, for, unprovoked in their origin as they have been, in their results the vexatiously aggressive proceedings of Mr. MacDougall have sufficed to paralyze the active powers of the company so far as working the mine is concerned.

For many months past, through the action of this person, both the company and the late board of directors, (who succeeded the original board)—who, I may here say, were entire strangers to me—have been kept in a sea of litigation, he having brought suits against two of the three directors, and having compelled the chairman of the company to prosecute him before a London police magistrate for libelous statements respecting his character and position, for which he (MacDougall) had to apologize.

In all the law proceedings this man has instituted he has invariably been defeated, but it has, nevertheless, sufficed to keep the company in such a state as to preclude its carrying on its business.

I conceive, therefore, that I am doing what is my plain duty, not only to myself, but to all those now interested in the Emma Mine, by drawing up the following full and precise narrative of all the facts relative to the matter within my knowledge, from the commencement of my con-

nection with the mine to the present day; of the circumstances under which that connection began and was continued; and of the information of which I am now in receipt on the subject of the prospects and capacities of the property. It will then be seen that nothing more than a simple exposition of historical fact is wanted to dispose of all the allegations made against me by Mr. MacDougall; it will appear, as I relate the successive stages of the whole business, that no step was taken, and no act committed—I will not say at my instigation, but not even with my consent or knowledge—which can in any way reflect upon my character as a man of honor or business; it will further appear that I only allied myself with the enterprise after much investigation, and even hesitation, and I defy any one to point to any feature or event in the whole train of negotiations which argues the slightest deviation from the rigid path of the most perfect good faith.

NARRATIVE OF EVENTS RELATING TO THE EMMA MINE, FROM 1871 TO 1876.

In September, 1871, Messrs. Coates & Hankey, a highly respectable firm of London stock-brokers, members of the London Stock Exchange, of 24 Gresham street, whom I had known for many years, called upon me to know if I would entertain the business of introducing a mine known as the Emma Mine to the English market.

For many weeks previously, statements had from time to time appeared in the newspapers, giving accounts of the wonderful quantity of silver-ore that was being taken out and carried by railway, to the extent of actual train-loads; and, in so far as these accounts could be credited, the Emma Mine was one of unprecedented richness and wealth.

I had seen these accounts, but notwithstanding that fact, I told Mr. Coates, who called, that I was not disposed to enter into the business. He left, but came again on two or three subsequent occasions with a large amount of detailed information, showing what the mine had yielded, what its present position was considered to be, and the very great success which the formation of a company for working it might reasonably be expected to insure.

I refused a second, and I believe a third time. On, however, being pressed again for the fourth time, and it being then made clear to me that this was not an ordinary mining property, I inquired more minutely into the matter, and especially into the positions of the persons who were in England with the object of selling the property.

I found one, Mr. T. W. Park, to be a member of the American bar and a leading politician in New York, the president of the National Bank, Vermont, while the other was Hon. William M. Stewart, also a lawyer and a member of the American Senate for Nevada, the leading mining State of America.

I also ascertained that they were the accredited representatives of General H. Henry Baxter, ex-president of the New York Central Railway, one of the most important lines of railway in America; and it was represented to me, as I have since heard was the fact, that all three were very wealthy men.

Impressed with the entire respectability and responsibility of these gentlemen, I had an interview with Messrs. Park and Stewart, who pointed out by rough diagrams the position of the mine, where the ore lay, and described generally what a valuable mine the Emma Mine was.

I asked them why they wished to sell the mine that was yielding so

here he had held the leading position, was introduced to me by
oates, and subsequently attended one or two of the meetings I
ard had with Mr. Coates, when he stated that he had looked into
atter very carefully, and expressed his undoubted belief in the
ieness of everything that had been advanced by Mr. Park and
ewart to Mr. Coates in his presence; and he stated from what he
arned, and from persons he had seen, there could be no question
he Emma Mine was an exceptionally fine and *bona-fide* property
lver-mine, and he stated his intention and desire to secure a large
ment in it for himself and friends.

proper to mention here that at an early interview with Mr. Park
e as his references Messrs. Jay Cooke, McCulloch & Co., of Lon-
he bankers, who had been his financial agents in London for the
and to General Schenck, the American minister. He also stated
e had consigned some thousands of tons of ore to Messrs. Bath &
f London, and to Messrs. Lewis & Son, of Liverpool, both metal-
of the highest possible standing, for the purposes of sale, and
e was consequently well known to them.

ong other documents that Mr. Park showed me was a letter from
William P. Blake, an eminent mining engineer of America, an
t from which was duly made in the prospectus, asserting his
n of its great value, and saying that "it compared with the most
nt and magnificent developments in the silver regions of Mexico
outh America."

sidering such references and statements as these indisputably con-
ed to the *bona-fide* character of the property, and satisfied, as I had
t to be, of the position and responsibility of those connected with it,
ed to reconsider my refusal. At the next interview which I had with
oates, I told him that I was disposed to take the transaction he
sed into consideration, but that before giving him a definite reply
ld require him to obtain a report from some well-known mining
er in confirmation of the statements advanced by Messrs. Park
tewart, and that if the report was satisfactory I would take up the
ss, but not otherwise.

Accordingly, as it would have taken too long a time to have sent o written instructions, Mr. Coates informed me that telegraphic instru tions had been sent to Professor Silliman to go and visit the mine, an make a report as to its present position and, particularly, as to its futu prospects.

In due course a report, bearing date the 16th October, 1871, arrive giving in great detail the history of the mine, the character of the or the quantities of the ore, its prospects, and stating that "the sever facts, in his opinion, established beyond all reasonable doubt the co clusion that the Emma is a true mineral vein of great power, and pla it in the category of the great mines of the world;" and adds, "explor tions in depth, and on the course of the lode, will doubtless confir these conclusions and sustain the wonderful productiveness which t mine has heretofore exhibited."

The verbatim report was circulated with the prospectus; and th you may appreciate the data upon which I consented to undertake t business proposed, I here reprint that report, by which I venture to s any one, believing Professor Silliman to be an honorable and trustwort expert, must have come to the conclusion, as I unquestionably did, th a remarkable silver-mineral property existed in the Emma Mine, a that no disappointment could result to the subscribers of the capital the company to be formed to acquire and work it.

(Here follows the well-known report of Prof. B. Silliman.)

Being thoroughly satisfied with this report, I made an arrangeme with Messrs. Park and Stewart to aid them with my influence in obta ing the capital necessary to enable the company to acquire it, the pri they required for the mine being one million sterling, half of which th stipulated to take in shares of the company.

In addition to the evidences of *bona fides* before referred to, Mr. Pa informed me he had reason to hope and believe that the American minist General Schenck, would, if requested, join the board of directors; addi that he knew something of the property, and was disposed to inv some considerable amount in its shares, and Mr. Park asked me whe er this fact would be favorably looked upon. I told him that it wou be very satisfactory to every one about to be connected with the co pany, and especially to myself, as, I added, I felt certain it would spire confidence in the undertaking, as, from the well-known honora character of the American minister, it was not to be supposed fo moment that he would have lent the weight of his name, given in ad tion to the influence of his official position, to an undertaking in t good faith of which he did not implicitly believe.

This proposal for General Schenck to join the board was conclusi to me, as it would have been to anybody else, however cautious or e perienced, as to the entire trustworthiness as an honorable man Professor Silliman; of the good faith and respectability of Mess Park and Stewart, who were themselves to join the board, and, as believed, entirely covering any moral responsibility I might assume i using the influence of my position to assist the vendors in obtainin the capital for the company. That was my fixed opinion then; it is n less my fixed opinion now.

Not, however, satisfied with this—which would have been amply su ficient evidence to justify my intervention in the business—I dete mined to have tested the truth of the statements as to the amount ore, and the value realized for it, that had been alleged to have be consigned to Messrs. Bath & Son, and Messrs. Lewis & Son, fro time to time for sale; and not willing to take the responsibility mys

of examining them or their accounts, I required a firm of professional accountants, Messrs. C. F. Kemp, Ford & Co., of 8 Walbrook, being called in, the senior partner of which had been already consulted by Messrs. Coates and Hankey as to the calculations of the quantity and value of the ore shipped to this country, and he was instructed to see the firms of Messrs. Bath & Son and Messrs. Lewis & Son, and their books, and to test the truthfulness of Mr. Park's statement, and to make an official report thereon.

This was eventually done, and they made a report of their labors, which fully confirmed the facts advanced by Mr. Park.

To insure an effectual carrying out of the legal requirements incidental to the company, the eminent firm of Messrs, Bischoff, Bompas & Bischoff, of 4 Great Winchester-street buildings, was appointed.

A number of gentlemen were applied to, to act as directors, and finally Messrs. George Anderson, M. P., E. Brydges-Willyams, M. P., Percy Doyle, C. B., E. Leigh Pemberton, M. P., and the Hon. John C. Stanley, consented to act as directors with the American minister and Messrs. Park and Stewart, (the vendors,) and also General H. Henry Baxter.

Not one of these gentlemen were personal friends of mine. Mr. Percy Doyle I had met many years before, once or twice; but all the others, including the American minister, I was totally unacquainted with.

To the best of my recollection I do not think I ever conversed with either of those gentlemen before they became directors; through a mutual friend—who had himself intended at first to join the board—they conveyed their willingness to become directors, with the stipulation, however, that the American minister should also become a director; they having further, I was informed, made inquiries as to the affair in various quarters.

As on many occasions mining properties in America were frequently found to have faulty titles, by which litigation afterward occurred, it was stipulated by Mr. Bompas and myself that no part of the purchase-money should be paid over to the vendors until the validity of the title was ascertained; and three trustees were named, consisting of the chairman, (Mr. George Anderson, M. P.,) the American minister, and Mr. J. H. Puleston, M. P., (of the firm of Messrs. Jay Cooke, McCulloch & Co., the bankers,) who consented to act as trustees of the funds subscribed until paid over for the property.

In America, profits earned by mines are generally divided monthly—that is to say, an average amount is paid for each month, according to the earnings, and the accounts made up either half-yearly or yearly, when the final dividend is paid.

So sanguine was Mr. Park of the yield of the mine, that he suggested a payment of 3 per cent. per month, expressing his strong conviction that the mine would pay that for years, and that the further they went down the richer the mine would prove.

As I thought this might inspire the public with exaggerated ideas and expectations, after great difficulty I persuaded him to be content with the distribution of 1½ per cent. per month until 12 months' dividend *in advance* at this rate had been accumulated in the company's hands; after which I said I thought the whole of the earnings, whatever amount they might come to, might be divided, and not limited to the 1½ per cent. per month, as before stated.

The capital of the company having been applied for, after the solicitors had obtained counsel's opinion from America as to the title to the

mine being in order, the transfer of the mine, &c., to the company took place, and the money and shares agreed to be paid were duly handed over to the vendors.

Shortly after the company was launched, a series of attacks was made in America (some of which were reproduced in this country) upon General Schenck, on the ground that he, being American embassador, ought not to have joined a private commercial undertaking, and his assailants went the length of calling upon the American Government to compel General Schenck to retire from the board, or to give in his resignation as American minister; but I was told by Mr. Park that General Schenck declined to do either. He felt, he said, it was a point of honor to remain on the board of the Emma Mine Company, and he declined to be coerced by political opponents into giving up his diplomatic post. Later on Mr. Park told me that the President of the United States had telegraphed to General Schenck that his political enemies were making so much out of his having joined a private undertaking as a director that he begged and urged him to send in his resignation as a director of the company.

Though I felt it was quite natural and reasonable on the part of the President to require this at the hands of the American minister—who, I now frankly admit, though it did not strike me at the time, had, by joining a private commercial undertaking, really placed himself in a position which was, at any rate, open to a false construction—I said to Mr. Park, "I hope, Mr. Park, that it is from no other motive that General Schenck is going to resign, especially that it is not through any want of confidence in the mine;" to which he replied, "Certainly not; so strongly does he feel that his retiring may be open to misconstruction in this respect, that it would take very little influence to persuade him to remain on the board, and to give up his post as American minister." Mr. Park added: "I feel, however, I have no right to ask him to sacrifice his public and official career, and consequently that I am obliged to consent to his resigning his directorship;" but he added: "If you want to be satisfied, and to hear the cause from the lips of General Schenck himself, I will ask the directors to allow you to be present when he attends the board-meeting to-morrow, to give his reasons to his colleagues for the resignation of his post." I told him, for my satisfaction, I certainly should like to hear the general himself confirm what he (Mr. Park) had told me. Accordingly, I attended the following day at the board-room of the company, and there I heard the American minister state to exactly the same purport what Mr. Park had told me was the reason why he was compelled to give in his resignation. He added that he had undoubted faith in the mine, that he believed it would turn out a very valuable property, and he left the company with great regret.

This was, as far as I remember, the first time of my seeing the minister or the board, and was the first and last time, I think, I ever was present in the board-room. I left immediately after the minister had made his statement, and before the directors proceeded to business.

Some time after the capital of the company had been subscribed I was informed by Mr. Park that the directors desired to obtain the quotation of its shares on the Stock Exchange list, but that they had ascertained that it was not possible to obtain a quotation for the company unless two-thirds or the shares (namely 33,334) at least had been subscribed and allotted to the public. Inasmuch as only half of the capital (namely, 25,000 shares) had up to this time been allotted to the public, Mr. Park informed me that he had agreed to a sufficient number of the remaining half of the shares held by him being offered to the existing

shareholders, to make up the number required to be issued to put the company in a qualified position for applying for the official quotation.

A circular was accordingly issued by the board, signed by the chairman, offering for subscription such additional number of shares as would be sufficient to put the company in a position to comply with the rules of the Stock Exchange. These shares were all subscribed for.

It will be convenient here to say that Mr. E. Brydges-Willyams, M. P., the deputy chairman, who, from his family connections in Cornwall and Cornish mines, had some knowledge of mining, and who, I understood at the time, took out a practical Cornish miner with him, had previously gone out to America, and had issued a detailed report, speaking in glowing terms of the mine and its future prospects.

Later on, Mr. George Anderson, M. P., the chairman, went out. He, too, reported in very favorable terms of the appearance of the mine, and also of its future prospects.

The company had for thirteen consecutive months duly paid monthly dividends, at the rate of 1½ per cent. per month, equal to 18 per cent. per annum; and they thus distributed in dividends to the shareholders (according to the directors' report, issued on the 6th March, 1873) £193,532 5*s.* 2*d.*

Ultimately, as you are aware, the mine was represented to the shareholders to have failed to continue to yield ore; and a debt, that had been incurred to Mr. Park, led in some way, with which I am unacquainted to this day, to the seizure of the mine by a legal process.

In 1873 a committee of investigation was appointed, and a change of the original directors took place; and Commissary-General Gardiner, Mr. Hutton, Mr. Burnand, Mr. Hamond, M. P., (forming the late board,) all entire strangers to me, were appointed instead of the old directors, who then retired.

The new board of directors commenced a suit in America against Mr. Park. This suit—the nature of which I only know from public report, and the probable result of which, it being still *sub judice*, I will not here allude to—is, I am told, now pending; and though they appear to have done their duty as directors conscientiously, they were in their turn subjected to several law-suits at the hands of Mr. MacDougall; and ultimately, through the incessant harassment at his hands, I understand they gave up their seats as directors, while the suit in America was still going on.

Mr. MacDougall and four other shareholders, of whom I know nothing, were elected in their stead. I find they none of them are original shareholders, except one gentleman, who holds twelve shares.

I have now brought the affairs of the company to the present period, and I desire to ask every dispassionate, fair, and impartial person holding shares in the company whether, from the statement of facts—which, though written from memory after over four years' interval, I pledge myself to be in the main correct—there is a scintilla of evidence on my part of *mala fides*, neglect, or want of intelligence in the performance of the duty I undertook; whether there is a single act of mine, as reported in the present narrative, that can be rightly challenged as reflecting on my character, first, as a man of honor, and, secondly, as a man of business; whether there is a single act that I have done in connection with the company that has not been well and prudently done, in the interests of those about to become subscribers; or whether there is a single act that I have neglected to do, which any one in my position, and with the circumstances before them as I then had them, can, with even the light of what has since occurred, and even at this hour, say I ought to have done.

I maintain that I took every precautian that business experience and acumen could dictate, that I went out of my way to surround myself by persons of such position that any collusion seemed absolutely impossible, and that it would not have been possible for any man to have insisted upon evidence and vouchers more numerous or more convincing than were insisted on by me. Some trust is indispensable in connection with mining enterprise, and especially of those in a far-distant and foreign country.

At the risk of being prolix and even tedious, I must recapitulate the various steps leading to my connection with the Emma Mine:

First. I refused the business altogether, on several occasions, mainly because it was a mining property.

Secondly. Being afterward satisfied it was an unusual and apparently an extraordinarily fine property, I inquired into the social status of the persons wishing to dispose of it.

Thirdly. I required their detailed statements on the subject of the position of the mine and its history to be confirmed by an independent mining expert of position.

Fourthly. I required the statements as to the sales of ores in this country to be vouched by professional accountants of great experience.

Fifthly. A firm of solicitors, second to none in eminence and respectability—not my own professional advisers—were appointed to examine into the title.

Sixthly. Responsible trustees were appointed to hold the money until the title was properly examined and approved.

Seventhly. The American minister himself practically vouched for the respectability of all parties, and his belief in the truth of the statements, by himself joining the board of directors.

Eighthly. Precautions were taken, at my suggestion, to pay a comparatively moderate dividend until twelve months' dividends ahead were in hand, so as not to excite undue expectations from the public.

Lastly. Every document bearing upon the matter, such as the contract for the purchase of the mine, Professor Silliman's report, the original account-sales of ore, the patent title-deed, and the memorandum and articles of association, were advertised as open to inspection at the solicitors' of the company, and the detailed report of Professor Silliman was actually circulated with every prospectus.

Such, in their summarized shape, are the considerations which I submit to you. What more could have been done than was done? What was left undone that ought to have been done? I challenge any fair-minded man to point it out.

I am confident this statement of facts must vindicate, in your opinion, as in the opinion of all men of business and intelligence, the integrity, the policy, and the propriety of the course which I adopted; and as such I am fully prepared to defend all my acts in connection therewith.

And now to revert to the part which Mr. MacDougall has played in this business, and to the insults and scurrility which he has heaped upon others as well as on myself. Can Mr. MacDougall say that he has only resorted to abuse when smarting under the sting of personal disappointment or loss? Nothing of the kind. There is no single statement by which he can allege that he was deceived. He did not come in as an original shareholder under the first prospectus, nor as a shareholder induced by the tenor of the circular issued by the directors, subsequently, offering a number of shares for sale. What, then, did he do? When the breakdown of the enterprise was patent, when the situation was transparently disappointing, when the miserable depreciation of the

property was shown by the fact that the £20 shares had sunk to £1 10s. each, then Mr. MacDougall came forward as a purchaser, evidently urged first by speculative reasons, but also, as he himself admits, that he might gratify his litigious instincts, and that he might attack me, who has never caused him pecuniary loss, with whom he has never had any transactions, whom he confesses that he does not even know by sight. Where is the motive for this to be found, save in that hankering after notoriety which seems to strike the key-note of MacDougall's nature? In the indulgence of this perverted and ignoble passion, he has not confined his onslaughts to me alone. He has also charged the original board of directors, men of high social position and unsullied reputations, with having been party, in the inception of the company, to wrongful acts; and he has also charged them with having, in a series of circulars issued from time to time, willfully, and for no purpose that I can see, continued to deceive the shareholders intentionally and deliberately. He has also charged the second board of directors with various acts of malfeasance, the nature of which I cannot follow or understand. His charges may be divided into three categories: First, those involved in the issue of the original capital; secondly, the subsequent statements made by the original board as the business of the company proceeded and the development of the mine took place; and, lastly, the acts of the second board of directors.

As to the first, so far as, in the matter of the prospectus, he charges them and me, jointly, with having made false statements, I reply, that upon the assumption—false as it is—that we did so, Mr. MacDougall was in no way personally affected. He was the victim of no deception, nor did he take a single share on the strength of the prospectus. Therefore it is that, as a question of principle, I, for one, decline to account to him, except through a court of law (where I am quite prepared to meet him) for anything which I have done in connection with the business I undertook for the vendors. I am prepared to justify all my acts to those who have a right to inquire into them, viz, the *bona fide* investing shareholders, and it is to them that I address this circular.

As to the second, I have already said, I believe, I have never been in the board-room of the Emma Mining Company but on that one occasion when General Schenck resigned his post as director; nor have I ever had any communication with the board as to the conduct of the company's business; nor was I a party to any of the circulars issued by the board of directors from time to time; consequently no blame of any sort or kind can attach to me in reference to these.

However, though it is supererogatory to do so, I do not hesitate to express my belief that the gentlemen who sent out those circulars implicitly believed every word they contained. They do not need any such expression of belief on my part—their reputation and position will stand them in sufficient good stead; and I only allude to it for the purpose of showing the character of the attack of Mr. MacDougall upon them.

And lastly, referring to the acts of the late board of directors, they were gentlemen unknown to me, and were elected at a meeting of shareholders, to investigate and see if any acts of persons who had been connected with the company could be impugned, and, consequently, were not elected in any way in my interest; still I do not hesitate to state that they, too, have done no act that could deserve the annoyance and worry they have received from Mr. MacDougall.

After the above plain statement of facts, if there is one among the whole body of shareholders who, after reading this circular, can put his

finger upon a single thing which I, in my position, could be charged with doing, or as having acted inimically to the interests of the intended subscribers, against good faith as between man and man, I shall be prepared to meet him, anywhere and everywhere, in courts of law or boards of arbitration, or courts of honor even, and to abide the issue.

I now proceed to a matter which, after all, may probably concern the holders of shares more than the vindication of my conduct, necessary as I have felt it to address such a vindication to a body with the majority of whose members I am unacquainted, and who might possibly give credence to some of Mr. MacDougall's statements.

The avowed policy of Mr. MacDougall in coming on to the board as a director, and in bringing four other persons as directors—*whose resignations he boasted*, at the meeting recently held, *he had in his hands, thus enjoying a practical monopoly of authority*—is to foment litigation against the first directors, the second directors, and myself. We have seen that he has already taken proceedings, in his own name, against Commissary-General Gardiner, the late chairman, and Mr. Hutton. With reference to the former of these, the court of appeal, on hearing the cause gave a judgment in favor of Commissary-General Gardiner, and mulcted Mr. MacDougall in the costs of the suit. The hearing of the case against Mr. Hutton will, I believe, come on shortly; and a court of law will decide whether he had more reason to take proceedings against Mr. Hutton than he had against Commissary-General Gardiner.

The suit is, I am told, going on in America against the vendors of the mine. As these proceedings are pending, it would not be proper for me to pass any opinion on their wisdom, still less their probable issue.

Now, note this: *All Mr. MacDougall's words and acts rest upon the assumption that the Emma Mine is exhausted.* Even if the mine were exhausted, and were proved to be so conclusively, I maintain that his proceedings, and the way he has conducted them, would still be utterly indefensible. So far, however, from the Emma Mine being exhausted, there are numbers of people, and among them persons of great experience in mining, who think that, notwithstanding the large amount of ore already taken out, the Emma Mine *has only just been slightly opened*, and that the fact of a layer (if I may use the term) of sandstone appearing after the first yield of ore, and the lead of the vein being lost, in no way militates against the supposition that, on going down to a greater depth, the body of ore will (as has been the case in most, if not all, great mines) again be discovered, and probably last for years.

On this subject I have received a letter from a practical man, who has been working for some time in a very successful mine called the Belcher. This mine, like the Emma, after a certain amount has been taken out at a comparatively small depth, was thought to have been exhausted, was given up by the owners, and acquired by two or three persons, who recommenced working it. *On going down a greater depth the ore was again found, and no less than sixty million dollars, or twelve millions sterling, during the last five years, have been extracted from it and another mine in similar circumstances*, in which the writer, (who, I may say, though not an educated man, is a practical miner,) worked. The following extract from his letter will be read with interest:

GOLD HILL, STOREY COUNTY,
Nevada, August 21, 1875.

SIR: I received a communication asking me to write you and give you my opinion and the opinions of practical miners, in regard to the Emma Mine in Utah. As regard myself, I have not visited the Emma Mine, so that my opinion is based on the state

ments that others have made to me who claim to know, so I know nothing about the merits of the Emma Mine personally; but the opinion of very many practical miners who have worked in the mine is, if the mine was properly worked and managed, it would be a paying mine to-day. I have been informed by several men who have worked in the Emma that the mine was very badly worked, and a great portion of the money that was taken out of the mine was squandered to pay dead-heads, &c.

* * * * * * *

Now, as regards the Emma Mine, I do not know if my opinion is worth anything or not; but I will say this much, that, to judge from the surrounding mines, and especially the adjoining one, that being rich, it would not surprise me, if the mine was properly worked and managed, that within a year it might be worth millions. It would, in my opinion, be very bad policy to abandon the mine at the present depth, and say it is worked out. Twenty-six years in mines and mining has taught me that to prove the worth of a mine it must be worked manfully. To abandon the Emma Mine now would be similar to the theory advanced here about six years ago, that because our mines were five or six hundred feet deep and no ore, that they were worked out, and ought to be abandoned as worthless. Now, had that theory been followed, the millions our mines have produced since then would have laid in the ground. Yet the two mines I have been engaged in have produced over sixty millions of dollars in the last five years, and the Consolidated Virginia, another rich mine here, is paying a monthly dividend of nearly eleven hundred thousand dollars. It is not but a short time ago that this mine was called worthless.

The Belcher, Crown Point, California, and Consolidated, and Virginia, and many other mines that I could name, prove the fact that a silver-lode is just as likely to be rich at a depth of two thousand feet as it is at two hundred.

Now, I do not say that the Emma Mine will prove to be as rich as those mines I have named; but I speak of them to show how foolish it would be to imagine that the Emma Mine is worked out at the depth of five hundred feet, when our richest deposits of ore have been found at a depth of from one thousand to two thousand feet, and the ore-bodies still going deeper.

The mind can scarcely conceive the richness of our mines, and to give a full account of them to a stranger would seem more like fiction than truth, so I will close this letter with a few words regarding myself. I should very much like to visit the Emma Mine and examine it for you, and report, either by letter or in person, not because I want employment, but because for years I have thought that there has been a great deal of swindling connected with the Emma Mine, and that the mine can be worked with profit to the company, and should be glad to prove that there is plenty of ore in the mine yet.

Now, should you conclude to work the Emma Mine again, I should be glad to undertake to prove that the Emma Mine is not worked out yet.

As to my standing as a man, or capabilities as a miner, I would refer you to the following-named gentlemen: F. F. Osbiton, superintendent Savage Gold and Silver Mining Company; N. G. Andrews, foreman Savage Gold and Silver Mining Company; W. H. Smith, superintendent Belcher Gold and Silver Mining Company; H. Donnelly, chief foreman Belcher Gold and Silver Mining Company; Captain Thomas Taylor, superintendent Yellow Jacket Gold and Silver Mining Company; Robert Marshall, foreman Ophir Gold and Silver Mining Company.

Should you wish my services, I should be pleased to serve you faithfully. Sir, you will confer a favor on me by answering this letter as soon as convenient, and any information I can give you I shall be pleased to do so.

I remain, yours, very respectfully,

ALFRED L. BURT,
Underground Foreman Belcher Mine.

ALBERT GRANT, Esq.

Professor Sewall, I believe, has expressed himself to the effect that the mine only wants properly opening out to give a fair chance of ore being again found.

With the above letter before me, and with other information at my command from persons qualified to pronounce an opinion, I at least decline to believe, seeing how great is the quantity of ore that has been already extracted from the mine, that no further ore is to be obtained, nor will I believe it until it has been explored to at least *five times* its present depth. I believe, on the contrary, the geological strata will show *when the mine is explored deep enough* that volcanic eruptions have at some time or other taken place there, and dislodged the vein *as a continuous vein*, and that some depth must be gone into before it will re-appear.

It is right you should be made acquainted with another matter t which I will now allude. Some six months ago I understand that, ex cept for the proceedings which have been taken against Mr. Park, an which, as he is charged with fraud, he alleges he feels bound to defen to the end, Mr. Park, knowing how disappointed the shareholders mus feel at the unfortunate result of the mine, would, I heard, have bee willing to demonstrate that the mine was not worked out, and, I believe did actually express his willingness to work the mine for twelve months out of his own funds, and to give up three-fourths of the net produce t the company, keeping one-fourth only in reduction of the debt he ha against the mine.

Being desirous that such an offer should not be refused, at consider able expense I sent a responsible agent to America, to get Mr. Park t put this offer in writing. The difficulty, however, in reference to th suit pending, which charges him with fraud, he gives as a reason for hi not being willing to do this, for fear it should be said that he had there by endeavored to compromise the suit. I am, however, still sanguin that if proper representations are made to Mr. Park, irrespective of th suit, which must stand or fall upon its own merits, he might be induce to allow the mine to be explored upon the terms which he had prev ously been willing to agree to.

I am quite sure that this course would commend itself to the bulk c the shareholders who are not blind to facts and their own interests. I will, however, be perfectly useless to attempt anything of the kin while Mr. MacDougall's policy prevails; litigation, hopeless in its o ject, indefinite in its duration, must ensue. Meanwhile the water is ge ting deeper into the mine, and the floors and supports are constant giving way, and day by day the property is going to wreck and ru that must soon be practically irreparable.

I have now come to an end of my statement and my suggestion. am well aware that in presenting you with this candid and comple exposition of the whole circumstances connected with the formati and working of the company, I shall be exposing myself to a fre series of scurrilous circulars from MacDougall. That is not, however consideration which disquiets me. On the contrary, it will be sufficie satisfaction for me to know that I have accomplished the objects wi which this letter has been written, which are, that while seeking to p myself right with the shareholders, and to demonstrate that I took mo than ordinary pains to protect those who were going to take shares i the company, I may suggest something being done for further testin the mine, in accordance with the experience of mining experts, viz, ex ploring to a depth of 2,000 or 3,000 feet, what at present has not bee opened fer more than about 500 feet.

In the present position of affairs, the shareholders *must act for themselves*, and they must make up their minds in all probability to one o two things: either to see the company spend its last shilling in fruit less, because irrational, litigation; or to work the mine lower and lower with the hope, at least, and I believe, with a very fair chance of comin again to large deposits of silver.

If the shareholders agree with me that seeking to explore the mine i a great deal better policy than spending money in litigation, unde circumstances which insure defeat beforehand, I am willing to sen out to America an agent to see if anything can be done for the purpos of resuming possession of the mine, without prejudice to any question between the company and Mr. Park, either as to the suit pending, or hi claim on the company; and in the event of his being willing to agre

to this, I will myself supplement the amount that he is willing to find for further working the mine in depth by advancing £10,000 toward that object, to be repaid only out of the produce of ore obtained from the mine.

Those who are favorable to the proposition to further develop the mine, as the only rational course, are requested to sign the inclosed requisition to the directors, requesting them to call a meeting of the shareholders for the purpose of pledging the board to the policy of a further and immediate exploration of the mine, and return such requisition to me *by return of post*, when I will take the necessary steps to give effect to the wish of such shareholders.

I am, gentlemen, your obedient servant,

ALBERT GRANT.

24 LOMBARD STREET, LONDON, *January* 5, 1876.

NOTE.—Since the foregoing letter was in type, I have this day been informed (but I have not yet had time to verify the statement) that a tunnel driven by another mining company through the property of the Emma Company, but at a lower level than the present workings, has actually cut a lode of silver, 12 feet thick, believed to be the true "Emma vein." If this be correct, it will be necessary that further explorations should be at once made by the Emma Company, in order to reach the depth necessary to enable them to reap the benefit of the alleged discovery, and to prevent the discoverers from benefiting to the prejudice of the Emma Company.

My attention has also just been drawn to the circular of Mr. MacDougall of the 12th instant, asking the shareholders to hand over the company to him for the purposes of uncontrolled litigation.

These two facts afford the best confirmation of the views I have expressed in the foregoing statement.

JANUARY 14, 1876. A. G.

[Private.]

18 QUEEN VICTORIA STREET, *November* 6, 1875.

GENTLEMEN: The solicitors' report referred to in the board-circular of the 1st instant, paragraph 6, having come into the hands of the directors prior to the meeting, I am instructed to forward you a copy thereof, and to inform you that the information it conveys has been obtained from each individual on oath, and from the signed depositions of each party referred to. This important evidence would not have been obtained had not action been taken against Park and others by the present directors.

Yours, faithfully,

W. H. TOOKE, *Secretary.*

768 ALDERMANBURY, LONDON, E. C., *November* 5.

GENTLEMEN: In reply to your minute as to the result of the examination of the witnesses, on oath, in England, we beg to report that:

Messrs. Jay Cook, McCulloch & Co. and Mr. Puleston, M. P., received of Mr. Park and Grant Brothers	£25,000
Messrs. Grant Brothers were paid in one contract by Mr. Park	100,000
There was a subsequent contract with Mr. Park relating to	30,000 or 40,000

Messrs. Lewis & Son, metal-brokers, received in paid-up shares from Mr. Park	5,000
Each of the original English directors, with the exception of Mr. Percy Doyle, received qualifying shares from Grant Brothers.	
Mr. Brydges-Willyams, a director, was paid by Mr. Park for his journey to Salt Lake	5,000
Messrs. Coates & Hankey, brokers, received, (on account of Fisher and others)	10,000
Messrs, Huggins, Rowsell & Co	1,000
Messrs. Bischoff, Bompas & Bischoff, solicitors	2,000
Messrs. Kemp, Ford & Co., accountants	1,000
(All these moneys were paid by Grant Brothers.)	
The American ambassador, Major-General Schenck, was loaned £10,000 by Mr. Park to enable him to purchase shares, and he secured a written guarantee from Mr. Park for interest at 18 per cent. per annum, unknown to his colleagues.	Loaned 10,000 at 18 per cent.

The secretary, who has been examined, did not receive any gratuity from any person, and only joined the company after the prospectus was settled, on the invitation and introduction of Messrs. Bischoff, Bompas & Bischoff.

These are matters of grave importance, and, as the commission is closed, we think the company's counsel should now at once advise whether these moneys, or any of them, can be recovered, or whether the shareholders have any other remedies.

We are, gentlemen, yours, faithfully,

SOLE, TURNERS & KNIGHT.

To the CHAIRMAN AND DIRECTORS
Of the Emma Silver-Mining Company, (Limited.)

THE EMMA MINE.

MARCH 3, 1876.—Ordered to be printed.

Testimony of James E. Lyon.

WASHINGTON, D. C., *February* 28, 1876.

JAMES E. LYON sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. I reside in the city of Racine, Wis. I have been in New York most of the time for the last year and a half.

Q. How long have you been residing in New York?—A. Since 1864, the principal part of the time—except three years I was in Europe, from 1871 to 1874.

Q. Are you engaged in any business in New York?—A. I am not engaged in any regular business. I am engaged in western lands and mines.

Q. What is your profession?—A. I have been a merchant and a miner and a lumber-dealer. I have been mining from 1860 to 1866, and I commenced again in 1868.

Q. Have you spent any time in Europe?—A. Yes; I spent three years in Europe, from November, 1871, to October, 1874.

Q. When did you become acquainted with General Schenck?—A. Not until I went to Europe. I met him there. I was introduced to him by Mr. Park.

Q. You did not know General Schenck before you became acquainted with him in Europe?—A. No, sir; only by reputation.

Q. Were you interested in the Emma Mine at any time?—A. I was. I was in it originally. I was the original owner in 1868, before it was opened.

Q. State generally to the committee what your association has been with the Emma Mine and with General Schenck, and whether or not you made your first acquaintance with General Schenck in Europe, and to what extent he induced you to go into this speculation. State also in addition what you know about this company.

The WITNESS. And about Mr. Park and Mr. Stewart, at the same time?

The CHAIRMAN. Yes, everything that will throw light upon this subject.

A. I visited Utah about the first of October, 1868, with a view of going into some mining operations there in which I was interested. I became acquainted there with Thomas F. Woodman and Robert B. Chisholm, who had a mine staked off called the Monitor Lode. They asked me to aid them in its development, and I agreed to do so in consideration of having an undivided third interest in it. I worked the mine, I think, about three weeks, and extracted about 75 tons of silver-ore, argentiferous galena, the net value of which was about $100 per ton. I then let a contract to Thomas F. Woodman to sink the shaft 50 feet deeper than it was. I left Woodman in possession and returned to New York about the 20th of October, 1868. I received

a letter from Mr. Bruner, of Salt Lake City, who was occupying a m
near the Emma Mine, saying that Mr. Woodman had only sunk the sh
8 feet deeper and had left it. In the spring of 1870, I learned th
Thos. F. Woodman, Robert B. Chisholm, and other parties whom they h
taken in with them, had ousted me from possession, and were extracti
ore and shipping it to Newark, N. J. I visited Salt Lake Ci
about June, 1870, and met Mr. Woodman and asked him why they we
working the Monitor Lode now under the name of the Emma Mi
while I had one-third interest in the mine and all that it produced. M
Woodman said that we would have no trouble in settling it, and to
me to come up to his office and that we would soon fix the thing up s
isfactorily. After about two weeks' delay, and several promises, a
finding that nothing was done, I commenced a suit in the court in Ut
against all the parties then in possession. I had employed H. A. Joh
son, of New York, as my attorney, and soon afterward I employe
Messrs. Teller & Gorsline, of Central City, Colo., and Mr. Hem
stead, of Utah, United States district attorney at that time for the Te
ritory. I applied to the court for an injunction to restrain the partie
from taking out ore, and the court granted it and afterward dissolve
it. The suit continued in progress until the spring of 1871. Abou
March, 1871, I visited San Francisco to get some other attorneys, a
Mr. Johnson was going to Europe. I received a letter from William M
Lent, of San Francisco, and General George S. Dodge, recommending me t
employ William M. Stewart, then United States Senator, and Curtis
Hillyer, a lawyer, now living in Washington City. Messrs. Lent an
Dodge had examined the mine with a view of purchasing it, as the
stated in their letter, and found my title good, and advised Messr
Stewart and Hillyer to engage in the case. Mr. Jerome B. Chaffee, De
egate in Congress from Colorado, also urged me to employ Stewart an
Hillyer. On my return from San Francisco, and before seeing Messr
Stewart and Hillyer, I ascertained that the Emma Mine parties in po
session had organized a company, calling it the Emma Company
Utah, and had given to one Irwin Davis, of San Francisco, a bond
option to purchase, for the sum of $1,500,000, the entire mine, subje
to my claim. Irwin Davis came to New York City and endeavored
solicit parties to engage in it with him. Mr. Park was an old, intima
friend of Davis, and Davis persuaded Park to take an interest in
The bond had only then a short time to run. Mr. Park and Henry
Baxter, of New York City, went out together to Salt Lake City to e
amine the mine, and after examining it they purchased for $375,000 o
undivided half of the property, subject to the retirement of Mr. Davis
contract, which would expire in a few days. When they came to Ne
York they consulted with Irwin Davis and made a proposition to hi
that they would give him one-third of their interest on the same ter
that they had purchased it, he paying an equal amount of money with the
or that they would (it being quite ill at the time and unable to
about) give him a one-sixth interest in the mine, and they would p
all the money for the purchase. Mr. Davis accepted the latter agr
ment. I employed Messrs. Stewart and Hillyer, under a written co
tract which is now in the hands of the court in New York, that th
were to have 5 per cent. if they settled with me in New York City wi
out any litigation, (as there was some talk of at the time,) and were
have 15 per cent. if they went to Salt Lake City to try the case, a
were to have 25 per cent. of all that they recovered if they had to ca
the case through to the final determination of the courts, I paying
the disbursements and expenses. Mr. Stewart and myself visited S

Lake City soon afterward, and we came in connection with Senator O. P. Morton, of Indiana, traveling some distance in company with him. Mr. Stewart related to Mr. Morton, in my presence, the difficulties of getting a trial in the Utah courts, explaining to him that Judge McKean had ousted the territorial officers and was insisting on trying all the civil business of the Territory in what he called a United States court, and that the United States marshal took the jury from the streets, without drawing them in the regular way, in order to get a gentile jury. Mr. Morton expressed himself as regarding that as wrong, and Mr. Stewart told him that if he would come out and assist me he should have $20,000 of what he recovered. Mr. Stewart and I had previously made that agreement between ourselves—that he should make Mr. Morton that proposition. Mr. Morton was then going to his home in Indianapolis, and said that he would be out there in a short time, and asked us to keep him advised. When we arrived at Salt Lake City, Mr. Stewart sent Mr. Morton a telegram, asking him to come immediately; that the case was very important—that Lyons had been outrageously treated. Myself and attorney attempted to get Judge McKean removed, for the reason that he was engaged in trying a case in his own court, one of the parties being a company in which he was president and a large shareholder. There is a statute of Utah Territory allowing companies to organize, (a general corporation law,) under which a tunnel company had been organized, with a capital, I think, of a million dollars. Judge McKean had taken $100,000 of the stock of that company. The law requires every director to swear that he paid in 25 per cent. and is able to pay in the balance when called for. I think Judge McKean was engaged in two companies of that character, and I found that the other two associate judges were also partners with the Emma Mine parties in various other mining interests in the Territory. The Hon. Noah Davis, of New York, sent a document containing this statement, to the President, and asking the removal of Judge McKean; and Mr. Chaffee, Delegate in Congress, also aided in furnishing papers to the President, but still McKean was not removed, and none of them were removed. Mr. Park was pushing this thing for trial before the territorial court—the United States court, as it was then called; but I was not willing to go to trial with the United States marshal selecting a jury from the streets as he chose, because I found that the marshal and his brother were also interested in the Emma Company's stock; having been made interested by Mr. Park. The Emma Mine Company had, previously to that, located its mine by a survey running in about a northeastern and southwestern direction, and had applied to the Government for a patent, advertising the application, and going through all the necessary preliminary forms. The mine, in which I claimed to be interested, was running in a northwestern and southeastern direction, and I became fully satisfied that the application for a patent, and all that sort of thing, was merely a ruse to throw me off my guard. Then it became necessary to apply to the court for an order to survey this mine, according to the custom of California, which had been in practice there for a good many years. Mr. Park was present, with eight or nine additional counsel. Mr. Curtis J. Hillyer argued it before the court for myself. One of Mr. Park's lawyers, I think Ex-Senator Phelps, from Vermont, a great chancery lawyer, argued it for Park and for the Emma Mine Company. After a long argument I got an order from the court to survey this Emma Mine, allowing an engineer, his assistants, myself, two attorneys, and several mining experts to be present. The

mine was examined and proved to be running in a northwestern a southeastern direction, as I had stated in my affidavit. The Emm Mine people were working up in the northwestern direction, and we not working in any other direction, as there was not much ore found any other direction. I filed a protest against the issuance of the pate which they applied for in Washington; and the patent was not issue A proposition was finally made to Mr. Park, in writing, by M Stewart, to take the case out of the courts of Utah and submit i to any person whom the Attorney-General of the United States shoul select. Mr. Park declined that proposition. After some considerabl discussion, Mr. Stewart and I concluded to make Park one other propo sition, which was to submit the case to Benjamin R. Curtis, of Boston and for each party to put himself under bonds, with sufficient securi ties, in the sum of $20,000 to pay Mr. Curtis, and for him to go to Sal Lake City and try it. Mr. Dawes. a member of Congress, was then a Salt Lake City, and said that he had no doubt that Mr. Curtis woul come there, as it was a larger fee which was offered him than he eve got; and, finally, we drew up a stipulation of that kind. Mr. Parl said to me that we would have no difficulty in settling my claim, pro vided there was not another party in the way. That party was a com pany organized in San Francisco on various mining claims, locate around about within a quarter to one-half a mile of the Emma Min which claims they had purchased from an executor of the estate of on Silas Brain, at a very nominal figure, (I think $1,000 or some such ma ter.) A company was organized in San Francisco called the Emm Company of San Francisco, with a capital of $10,000,000, and the sam Lent and General Dodge who had given me letters to Stewart and Hi yer joined in this San Francisco company as shareholders. That co pany filed no protest against the application for a patent, but were lying on my protest to protect them. They had commenced no su but had a resident attorney there whom they had brought from Neva to watch the proceedings in my case. Mr. Stewart urged me very ha to consolidate my claim with this California company, as they had large capital of $10,000,000 with a great many shares, and he said that could get a large interest in those shares, and that there were shar enough to give all the witnesses and jurymen all around about Sa Lake City all that was necessary.

Mr. SPRINGER. Whose proposition was that?

The WITNESS. It was the proposition of William M. Stewart—Se ator Stewart. I said I did not think that I would go into any operati of that kind.

By Mr. PACKER:

Q. Was Mr. Stewart's proposition that you should do this, or that t other parties should do it?—A. The other parties were willing to do and Mr. Stewart advised me to go in with them and consolidate our int ests, and then use that company for the organization, and then we wou have shares enough, outside of what they were to give me and reta themselves, to give all the witnesses and jurymen, &c., all around abo there what they wanted. Mr. Stewart was quite angry for a lit while because I would not accede to this, and he said that he wish to go and examine the records himself, that he was not satisfied wi my statement, and that he would examine the records and make decision afterward. After examining the records, he found out that th property consisted of just what I said it did, and he said that he agre with me that we had better not consolidate with them. Mr. Park said

me, "If I wished to settle with you, Mr Lyon, we could go into the next room and I could pay you a very handsome sum of money in one evening or in two evenings if we were alone, and if this would quiet all the difficulty about the title, but this San Francisco party will make me trouble just as soon as I settle with you. They will make me the same difficulty, because I want to sell this mine, and I cannot sell it as long as it is in litigation, so that I would be no better off if I settled with you. Then I will have another suit pending against me by this San Francisco company." He said to me, "You see my difficulty?" I said I did, but I said, "Mr. Park, my claim is a very different one from theirs." "Yes, Mr. Lyon," said he, "there is justice in your claim, but there is no justice in the other claim; they are blackmailers," &c. We both agreed as to that. I saw very clearly that they were endeavoring to get money out of it. Mr. Park said to me, "If you can contrive any way by which I can get a United States patent for the mine, or get a title that has no litigation, we will have no difficulty in settling the matter." Said I, "Mr. Park, if you settle with me I will withdraw my lawsuit, and then what is there in the way of your getting a patent?" "That is the first time, Mr. Lyon," said he, "that you have talked business since you have been here. Send Mr. Stewart around to see me." Stewart and Park were then on very unfriendly terms. Stewart told me many a time that Park would swear to a lie, would steal the records of a court, would buy witnesses, or would do anything else just to carry his point, and that I must not talk to him alone. I said to him, "Mr. Stewart, Mr. Park says hard things about you, too. He says that you buy judges and juries, &c., at your discretion. These are your personal difficulties, which I do not propose to enter into." At all events Mr. Stewart went off with Mr. Park to take a walk around the block in Salt Lake City, and when they came back everybody about there was watching their movements closely. There were one hundred people or more around there. After some little time Mr. Stewart came along where I was and gave me a hint to walk with him, and we walked about for some time. This was about midnight. He said to me, "I have had a talk with Park; that plan will work, there is no other protest." Said I, "There is a short protest on file, I believe." We had not considered that it would amount to anything, as it was illegal. I explained to Mr. Stewart what it was, and he said that that was of no consequence. The protest was not found afterward. It was reported to be on file, but we could not find it. I told Mr. Park that if it was known in Salt Lake City that I had withdrawn my protest, of course the other party would file a protest also, and I told him that as the officers of the Territory, the register of the land-office and the surveyor-general, &c., were under his control, he could control them. He said, "Yes, we can manage that thing; we can keep the register of the land-office still, and also the surveyor-general." Park and Stewart had agreed that about $2,000,000 in gross value had been taken out of the mine up to that date. That would include all the ore then lying at the depot, as well as the money which had been received from the proceeds of the sales of ore that had been made previously.

Q. Up to what time was that?—A. I would say up to about July, 1871. That would include all the ores taken out by the Emma Mine Company of Utah, and all up to that date from the discovery of the mine. In the mean time, Mr. Park organized a company at New York City, called the Emma Mining Company of New York. My recollection is that the capital stock was $5,000,000 in 50,000 shares of $100 each. Mr. Stewart and I understood at the time that the mine was about exhausted, and that was our understanding from Mr. Park. Mr. Park said that he

could take out all the ore that was developed in a short time, and th we could not get an injunction to stop him, and that we would have remedy. We talked about that, and Mr. Stewart asked me on wh terms I was willing to settle. We agreed after considerable discussi to take one-third of all that came out of the mine, and which Park es mated at $2,000,000, leaving a million and a half after payment of expenses—and my third of that would be $500,000.

By Mr. WILLIAMS:

Q. What time was this up to?—A. This was up to July, 1871. I tc Stewart that I would settle on that basis.

By Mr. SPRINGER:

Q. When you had concluded that the mine was exhausted?—A. Y it was on that basis I was settling. I was settling at $500,000 becau I was getting one-third of my claim, and I was well satisfied from wh had occurred and from the conversation that had taken place that t great body of ore in the mine was about exhausted. It was not a defin ledge, but a great chamber like an egg shell, and when the egg w taken out there was nothing left but the basin or shell.

By Mr. FAULKNER:

Q. Do I understand you to say that Stewart and Park both concurred the idea that the ore was exhausted?—A. Yes; that was the conver tion that we had. I do not recollect that all three of us were togeth at the same time, but these were my conversations at times, that t mine was about exhausted so far as developed, that is, so far as the was in sight. Mr. Stewart and Mr. Park soon afterward left for N York. I do not think they went away together, but at all events th left for New York. Mr. Stewart was to send out Mr. Hillyer, wh understood was his partner, as my attorney, to aid me in getting up t necessary papers to withdraw the suit, and also to withdraw the prot which was on file in the land-office in Utah. Mr. Stewart writes bac by Mr. Hillyer, the following letter, dated August 5, 1871:

NEW YORK, *August* 5, 1871

FRIEND LYON: Hillyer will start in about twenty minutes. He will explain to y the arrangement; it is not as good as I tried to get, but after three days of talk it w the best I could get. The plan has this advantage, that we will not be fighting fo worked-out mine. The litigation will not be injured, and if we gain the case we sh recover something besides the right to bring other lawsuits. They have worked t mine up so in England by the ore they have sent, and the manner of sending it, tl I have no doubt of a sale from five to eight millions.

I have seen their correspondence with the two English houses to whom they se the ore. They are crazy about the mine. The Emma party have been working all time to put up the reputation of the mine. I have refused to give up the laws under any circumstances unless you get $500,000. You will, without doubt, get th

WM. M. STEWART

By Mr. WILLIAMS:

Q. Where is the original of that letter?—A. When the Emma M ing Company of London commenced a suit against Park, Baxter, a Stewart in New York, their attorneys, Barlowe, La Roque & McFarla called on me for these letters, and I produced them, they agreeing return them whenever they were called for. I called for them two three times, and Mr. McFarland promised to put them in the safe a have photographic copies taken of them, and then return me t originals, but he has since told me that the originals have been lo that they cannot find them. When I found I could not get the origin I got a young man in Mr. McFarland's office to give me photograp copies, and I have one of them at home.

By Mr. SPRINGER:

Q. What is meant by this: "Mr. Hillyer will start in about twenty minutes?"—A. That is, that he will start for Salt Lake City, where I was.

Q. What does this refer to: "The plan has this advantage, that we will not be fighting for a worked-out mine?" Does that refer to the Emma Mine?—A. Certainly; he regarded it as worked out.

Q. He says in this letter: "They have worked the mine up so in England by the ore they have sent, and the manner of sending it, that I have no doubt of a sale from five to eight millions." What was the manner of sending it?—A. That must explain itself. I do not know. The agreement referred to in that letter was substantially the one of which I have a copy here. There was some little difference between the two. I will read it.

The witness read as follows:

Contract between the Emma Silver-Mining Company, of New York, and James E. Lyon.

For the purpose of establishing a contingent basis of compromise for the settlement, upon certain conditions, of the claims of James E. Lyon to the mining-ground situated in Little Cottonwood Cañon, Utah Territory, known as the Emma Mine, now in possession of the Emma Mining Company, it is agreed between said Lyon and said Emma Mining Company as follows:

1st. Said Lyon agrees to forthwith withdraw the protest filed by him in the United States land-office in said Territory in the matter of application, by said Emma Mining Company, for a United States patent for the said mining-ground, and also to assist, by himself and through his counsel, in the obtaining of a United States patent for said mining-ground, as sought in said application, from the Government of the United States.

2d. If a patent shall be obtained from the Government, as aforesaid, then the said Emma Mining Company agree that without any unnecessary delay the entire stock of the corporation in which, by the said patent, the title to said mining-ground shall be vested, shall be offered for sale in such manner and upon such terms as shall be agreed upon by T. W. Park and W. M. Stewart, and of the proceeds of said sale one-third shall, from time to time, as sales are made, be deposited with T. & W. Seligman & Co., bankers, for the security of said Lyon, as hereinafter set forth, and if at the expiration of three months from the date of said patent any of the stock of said corporation remains unsold, then one-third of such remainder of stock shall likewise be deposited with said Seligman & Co. for the purpose of securing the said Lyon, as hereinafter provided, provided that the time for sale may be extended by mutual consent of said Park and Stewart.

3d. The one-third of proceeds of sale or of unsold stock deposited as before stipulated, shall remain on deposit until a final adjudication by the proper courts of the claims, whether legal or equitable in their character, now existing in said Lyon, to the whole or any portion of the said mine or mining-ground, or to the proceeds thereof; if a final judgment or decree be obtained by said Lyon, then the money or stock deposited shall be applied to the satisfaction of the same to that extent. A judgment or decree according to said Lyon any portion of said mining-ground shall entitle him to a proportional part of the proceeds of sale of stock sold and of the stock then remaining unsold. Whenever a final adjudication adverse to the said Lyon shall be had, the money and stock shall be delivered to the Emma Mining Company.

4th. At any time before a trial shall be had in any action involving the title of said Lyon to any portion of said mining-ground, the said Lyon shall have the right to elect to receive, in full satisfaction for all his right, title, or claims to said ground, the undivided one-eighth (⅛) of the proceeds of sale of the entire stock of the corporation, above specified, in excess of the sum of $1,500,000—that is, one-eighth of the residue of the proceeds of sale of stock (or of unsold stock) after deductions from the amount realized by the sale of said sum of $1,500,000, and in case such one-eighth (⅛) shall at any time amount to $500,000, or over, the said Lyon shall be required and hereby obligates himself to receive the same in full satisfaction for all his claims to said mining-ground, or against the said Emma Mining Company, and in that case, or in case of acceptance of the said one-eighth, (⅛,) all suits pending between the parties shall be dismissed, each party paying its own costs.

5th. The Walker Brothers, at Salt Lake City, having in their hands $500,000 as proceeds of sale of ore from said Emma Mine, it is agreed that the said Walker Brothers

shall, out of said fund, first pay the expense of the purchase or removal o other adverse claims to said mining-ground, the extinguishment of which be necessary in order to obtain the patent from the Government without dela also all other necessary expenses of obtaining said patent. Said Walker Br shall also deposit one-third of the balance of said fund which shall remain aft payment of the said expenses above specified, with, for the same purpose, and then held and retained in all respects to the same trusts as the deposits of pr of sales of stock hereinbefore provided for, to be made with T. & W. Seligman provided that Warren Hussey shall be at liberty to deposit, instead of his prop of the balance of fund above specified, a bond, with good and sufficient sureti his proportional amount.

6th. In case the patent is obtained, then, at the request of either party, the t any action pending between the parties, or involving the title of said mining-gr shall be postponed until the 15th day of November, 1871.

7th. Nothing in this agreement contained, nor in the performance of any of th by said Lyon, his counsel, or heirs stipulated for, shall in any manner affect or i the assertion by said Lyon in any suits now pending, or hereafter to be brought, rights to the said mining-ground, or to the proceeds thereof, and neither in the tri in any of the proceedings in any of the said actions shall the withdrawal of the p against issuance of patent be proved or referred to, nor shall the patent, if obt be in any such trial or proceeding introduced as evidence or referred to, it beir intention of the parties that in all subsequent litigation respecting the title c mining-ground, or the rights to the proceeds thereof, the trial and all other pr ings up to the rendition of the final judgment or decree shall be conducted in spects as if this agreement had not been made, and as if the acts herein stipula had not been performed. In case the patent shall not be issued before final jud upon all questions of dispute between the parties, this contract shall cease and b inoperative, except so far as may be necessary to preserve the rights of said L case a patent should be issued after such final judgment.

In witness whereof the parties hereto have affixed their hands and seals thi day of August, A. D. 1871.

H. H. BAXTER,
President Emma Silver-Mining Company, [
By H. H. BAXTER, *President.*

In presence of—
J. G. LANSING.

JAMES E. LYON,
By WM. M. STEWART, *his Atto*

This contract, as I say, is substantially such a one as was sent to Utah, except that the one that was sent out was not signed. I simply the skeleton of a contract, without date or signature. word to Mr. Stewart not to execute the contract until I arrived at York, and I telegraphed to him from Ogden, near Salt Lake, an from Omaha, and I think from Chicago, at what date I would arrive. I did arrive Mr. Stewart presented me this contract already signed. I I arrived on the 19th or 20th of August, 1871, and this contrac signed on the 18th. I objected to the contract as not being wh contemplated at Salt Lake City. It did not fix the amount of $5 satisfactorily to me. Mr. Stewart said to me, "Do you not see, a ing to this contract, Park cannot sell this mine without my con I put that clause in to protect you, so that the mine cannot be sold you are paid that $500,000. We have the thing in our own han of course I shall not consent to the sale until you are paid your $500 I said to him, "If you do that, all right." Said he, "All right, attend to that; that is all satisfactory." And so that was the end o thing. Mr. Park congratulated me for accepting the contract, an that I was going to get $700,000, which was better than any lawsui he also said, "Mr. Lyon, I have got letters from Europe, and I we can sell this mine for eight or ten million dollars. I have new man at the mine as superintendent; his name is Silas William used to work for me in the Mariposa Mine, and he is the best m prepare a mine for the inspection of engineers that I ever saw. I instructed him to discharge the men, (there had been about one hu men at work in the mine a short time before,) all but six. There

ore to be taken out, and no work to be done any more than to develop, and I have instructed Mr. Williams to work this mine, not with a view of taking ore out of it, but with a view of putting it in the best possible shape for any engineer that may be sent to examine it. I intend to sell this mine in London on its reputation, on what has come out of it, not on what is actually in it. I think there is no more than $250,000 in sight, developed in the mine." That was Mr. Park's opinion at that time, as stated to me. A young man by the name of Arthur Lewis, of the firm of Lewis & Son, metal-brokers in Liverpool, was in Salt Lake City at the time, and had examined this mine very thoroughly from time to time. When I got my engineer's examination of it, we showed Mr. Lewis the plans and profiles, and Mr. Lewis said that the mine was not in condition for sale. Mr. Raymond, the United States Commissioner of Mines, was out there about July 24, 1871, and examined the mine, and made a report of it, and he advised Mr. Hillyer to settle the claim, as he said the mine was in no condition for sale, that it was not any mine, and then he wrote a letter in the Mining Journal, a very unsatisfactory document indeed.

By Mr. HEWITT:

Q. You mean unsatisfactory to you?—A. I mean unsatisfactory to the vendors. Prof. W. P. Blake, of California, made a report on the mine. Mr. Park was to give him $2,000 for making that report. The report was delivered to Mr. Baxter, and I obtained a copy of it from a man who said he had borrowed it from Baxter and was to return it next morning. He gave it to me, and I wrote a copy of it that night. This report was not used in England on the sale of the mine.

Q. Not at all?—A. Only one extract, and the balance was suppressed. Mr. Park told me he could not sell the mine on that report, and Mr. Stewart also said that it was a very different report from the one made when the mine was sold.

Q. Did Blake examine the mine before it was fixed up, or afterward?—A. Before any preparation was made. It was before Park or Stewart left Utah. I think he made the examination in June or about the beginning of July. Mr. Stewart called me aside one day in New York, after a conversation with Park about the quantity of ore in sight and about fixing up the mine, and said to me, "Mr. Lyon, you know that my family has been in Europe for the last four years, and I have been troubled a great deal this summer in thinking that I could not go and visit them on account of this lawsuit, and I have wanted this lawsuit to come on either later or earlier, so that I could go to Europe and get back before the session of Congress; but I have got this thing fixed up, and it will work right into my hands, for I want to go to see my family in Europe. I know that it is a good deal easier for me to go to Europe than it is to go to Salt Lake City and go through litigation there. I think you ought to be satisfied that I have done enough in getting you this $500,000 to entitle me to one-fourth, as the contract provided." Said I, "I will not say anything against that; I will do it." Within a day or two afterward Stewart asked me if I would not lend him $100, and I said certainly I would, and that here was another hundred dollars that would pay for his ticket to London, and that I would give him an open draft on London for all the money he might want there to pay his expenses. That was all right and very satisfactory. I gave Mr. Stewart the money and the open draft, and he left the country. Three or four days after that Mr. Lent came on to New York City, and Mr. Park told me that he had given Lent encouragement to compromise their claims.

That was by the way of keeping these gentlemen quiet, so that they would not enter a protest against the issuance of the patent or hear of anything about it, but he did not feel quite satisfied at giving $600,000 for the California claimants of the Emma Mine. Mr. Park said he had been called upon by the firm of Lees & Waller, California bankers in New York at that time, for that $600,000. He told him that it would be necessary to send to California, or to telegraph to Mr. Lent to come on here. But Mr. Lent could not possibly get to New York City before the patent was issued. It was to be issued in a day or two. Mr. Park and Mr. Poland were pushing it. Mr. Poland was attending to it almost exclusively in Washington. Mr. Lent arrived with all his papers, books, and documents, as I learned from Park and Stewart, in order to get the money, and Park told Lent that he would see Stewart and settle the thing up. Lent and Stewart were not on friendly terms, and he said to Park, "What has Stewart got to do with this?" The first thing that Stewart met Lent with was, "You have got no claim." The patent was then in Baxter's office. I called to see it. Baxter said I could not have the patent. Said I, "Do you not know me, Mr. Baxter? I am James E. Lyon." "O, yes," said Baxter, "that is all right," and so he showed it to me. Mr. Lent said to Park and Stewart, "You are going to Europe to sell this mine, and I will go over there too and stop the sale. The title that you have got is not a good title. Our title is good, and you cannot sell it unless you settle with us." "Very well," said they, "come on, Lent, come to Europe with us, and if there is no room on the ship we will make room for you." The ship was the Calabria. They urged him quite hard to go. Park said to Lent, "You do not care so much for making money for the company as for yourself, so come on board and we will fix it all right." They all left for Europe on the same vessel.

By Mr. SPRINGER:

Q. Who were on board that vessel?—A. Lent, Stewart, and Park. Previous to Stewart's leaving New York I advised him not to identify himself with the sale of that property, and he said he would not. Said I, "Mr. Stewart, there will be never-ending trouble about this thing if it is sold." "Yes," said he, "I know it, and I will have nothing to do with it." Said I, "All that you have to do is to stand to that contract of mine and to insist upon Park paying that $500,000." "Yes," said he, "that is all I shall do." "Now," said I, "Mr. Stewart, you remember not to consent to the sale unless that $500,000 is paid." "No," said he, "that is all right, but I expect to get more than $500,000; I intend to get $700,000." "Well," said I, "all that I want is the $500,000."

Afterward Mr. Stewart writes me from London as follows:

LONDON, *October* 24, 1871.

FRIEND LYON: Your letter was received and contents noted. Silliman's report has come; it is good. The parties we had contracted with have been backing and filling for over a week. Things looked bad yesterday and the day before, but to-day the prospect is brighter. I have no fear of a sale if we can take sufficient time, but it cannot be closed as soon as we supposed. We have made no mistakes yet. I feel confident that all will be right. You suggest that I had better object to the sale unless we get our five hundred thousand. I have looked over our contract—think that would be contrary to its spirit. For it is contemplated that the one-eighth may not reach five hundred thousand. If the sale takes place at all, it will be at a figure that will be quite certain to insure the five hundred thousand.

Everything is homegeneous now, and Park feels very grateful to us, but if we should object to a sale we might give them an excuse to make us trouble. I think as soon as we can see something near five hundred thousand we had better elect to take it at once. Pay no attention to anything Baxter says; I will attend to our contract.

have been compelled to send for my children and take them out of school. I could not leave London to go to Florence. I have given my whole time to it, but I find London an expensive place to stay with my family. They will return to Florence in a few days and then my expenses will be lighter. I expect in about a week or ten days to be able to tell pretty near how much the mine will be sold for, and then I will write you what I think we can do and what I think best to do, and will want your opinion on all the points.

Your friend,

WM. M. STEWART.

On the 9th November, 1871, I received a telegram from Stewart to come to London immediately. He had already written a letter to me dated November 3, 1871, which he knew I could not get if I came to London immediately, but which I afterward received in London. It is as follows:

LONDON, *November* 3, 1871.

FRIEND LYON: Silliman's report was satisfactory; but the parties who had made the contract to buy the mine failed to raise the money, and the trade fell through. We have made another arrangement with a party to put the mine on the market. I have great hopes of success, and that your interest will reach five hundred thousand, but it may not exceed four hundred thousand. I am certain that whatever it may be, we had better make a final settlement before I leave here. I wrote to Mr. Hillyer to see you and authorize me by telegraph to settle. We want what we have in our own hands. You cannot imagine what a time we have had. There are hundreds of mines here for sale, and we have some bad sales to contend with. We are compelled to show that the Emma is an exception, &c. I have been compelled to fully identify myself with the sale, which I did not intend to do. If you want to make a final settlement, telegraph on receipt of this, or as soon as you see Hillyer. I told him how to do, but if he fails to attend to it, or don't get the letter, telegraph what I shall do.

Yours, truly,

WM. M. STEWART.

By Mr. MONROE:

Q. When was the engineer employed by Park?—A. In July, 1871.

Q. Who was that engineer?—A. Silas Williams, of California.

Q. And that was the report on which the sale of the mine was made?—A. No, sir. Park did not employ Williams to report on the mine, but as a superintendent to work the mine.

Q. Some time ago you spoke about his saying that it was necessary to get an engineer to make a report on its condition.—A. Mr. Park told Mr. Williams to work the mine without regard to taking any ore out, but to put it in the best condition possible for engineers to examine it.

By Mr. WILLIAMS:

Q. After he prepared the mine did anybody make a report?—A. Yes; after Mr. Park made this statement to me another report was made.

Q. Who made that other report?—A. Prof. B. Silliman.

Q. That was after Williams had prepared the mine for inspection?—A. Yes. I have here a copy of Professor Silliman's report. I will read one paragraph from it:

"These several facts, in my opinion, establish beyond all reasonable doubt, the conclusion that the 'Emma' is a true mineral-vein of great power, and place it in the category of the great mines of the world."

(The report was put in evidence, and is appended to this testimony. The witness also put in evidence the prospectus issued in London, and which is also appended to this testimony.)

By Mr. SPRINGER:

Q. State whether General Schenck's name appears in the prospectus.—A. Yes; he appears as Major-General Robert C. Schenck, United States minister to London.

By Mr. PACKER:

Q. Have you ever seen the original prospectus?—A. Yes; I ha in New York, and I have sent for it. This is a copy of it, excep the illustration in the corner is not in the original prospectus.

By Mr. HEWITT:

Q. Read that passage in the prospectus which speaks of G Schenck.—A. (Reading.) "Major-General Robert C. Schenck h account of the exceptional character of the undertaking, consen act as one of the directors." I will now go on with my stateme arrived in London about the 20th of November, 1871. Mr. Stewa called at my hotel, and left his card with his address, and when down to his address, Edwards's Hotel, Hanover Square, I found Mr and Mr. Stewart occupying the same apartments, a parlor and tw rooms, the parlor being a kind of office, and the only office they pied, where they had all their papers, documents, &c. We had general conversation about some of their troubles and tribulatio think that about the first thing that occurred was the trouble the with Mr. J. H. Puleston. They had made a contract with Mr. Grant, of London, who was the man who framed the prospectu statistics which Mr. Park and Mr. Stewart said they had given hi fixed it up and arranged the phraseology. Mr. Park and Mr. Pu had got into some difficulty in correspondence. Mr. Albert Gra insisted on Mr. Puleston's name being on that prospectus as one directors, and also as a trustee, (merely a trustee until the pr should be turned over to the purchasers, when his office, as I stood, ceased.) That is the common way they have these thing in England. Mr. Puleston was to have £10,000 for the use of his That was explained to me by Mr. Park or Mr. Stewart, I am not c which. (It seems to me that both of them told me so.) Mr. would not take Mr. Puleston's name as simply J. H. Puleston, sisted that the prospectus must show his title as J. H. Puleston, firm of Jay Cooke, McCulloch & Co., American bankers, Lo street, London. This was a private contract, made by Park and ton, not known to the firm of Jay Cooke, McCulloch & Co., as I le from Park and also from Puleston. Some pretty sharp correspon had passed on the subject, back and forth, which Mr. Park read Mr. Puleston was urging his side of the case and Mr. Park wa urging his side of the case. Finally, another bargain was mad the firm of Jay Cooke, McCulloch & Co., who charged £25,0 their names, to allow Mr. Puleston to come out in the prospectu member of their firm, and for the firm to receive the money as ba Mr. Park and Mr. Stewart agreed to give Jay Cooke, McCulloch the £25,000, and Mr. Puleston was still claiming his £10,000, b Park would not pay it to him, and had not done so up to the time there in the spring. At another interview between Mr. Par Stewart, and myself, Stewart asked Park what he would pay me claim. Park said, "I do not want to buy it at any price, for I not got any money." Park soon afterward left the room and then art commenced, for the first time, to talk of the expenses. H there was £100,000 paid in a round sum to Albert Grant as pro He said, "Mr. Lyons, we have been obliged to pay out co able sums of money here. We have paid it out to parties in reg whom we must keep still and cannot say anything; but I am obli tell you, for it figures in your settlement and you have a right to We paid Jay Cooke, McCulloch & Co. £25,000."

By Mr. PACKER:

Q. Were any of those parties present when he said so?—A. No, sir. He went on to say, "We paid £46,300 to go into the treasury for paying dividends. We gave General Schenck 500 shares of stock, Mr. Park guaranteeing that the stock would bring him £20 a share within six months. That was put down as £10,000 cash. We paid Professor Silliman nine or ten thousand pounds," (I am not certain which.) He was to get £5,000 for making his report, and if they made a sale of the mine they were to give him four thousand or four thousand five hundred pounds extra, and it is not clear in my mind which amount it was. Stewart went on to say, "We paid £12,000 to William Lent," (the Lent I have been speaking of previously, of San Francisco.) "We were to pay £8,000 to Lewis & Son, of Liverpool, but we do not need to pay it, and are going to get rid of it if we can. At all events these various sums I figure up at about $1,000,000." "Well," said I, "what have I to do with that?" He said, "This million of dollars comes out of the sale of this property." "No," said I, "by the terms of the contract you are first to take out the million and half dollars, of which I am to get $500,000." While we were talking, Mr. Park came into the room and said, "Do not forget to tell Mr. Lyons what we have got to pay Mr. Albert Grant, and that we have got to buy back 5,000 shares of stock on the London Exchange before settlement-day. That would be chargeable against the 25,000 shares remaining unsold until they were resold to the public." "Now," said I, "I do not get anything out of this, do I, Mr. Stewart?" "No," said he, "I do not see how you can get anything out. It looks bad. It looks worse than it did." I went on and repeated to Mr. Stewart about the agreement with me not to sell the property, and I said, at the close, that he had no right to consent to the sale of the property unless I could get my $500,000. We were then probably two or three hours in conversation. It was quite late when I left to go away to my own hotel, but, before going, I made a proposition to close up my claim at $250,000. Stewart came to the Langham Hotel the next morning, and said he could close it up by giving me $200,000, and, when he took one-fourth out of it, that would leave me $150,000; and that he would pay me $150,000 in United States currency, and then that he should go to New York and try to get the control of the balance of the stock. Mr. Stewart and myself, after some little talk, came to that agreement, and I went down to the house of Mr. Park, who was sick in bed. He suggested that this contract should be drawn up and assigned to Mr. Stewart. Mr. Stewart commenced to write it, and, I think, Park got up and finished it. At all events, there was an agreement, made and signed there, by which I relinquished all my right and title, and Mr. Stewart went to New York and made a contract with all the other partners of Mr. Park. Previous to going, he told me that he had made an arrangement with Mr. Park to give him one-third interest in all he made out of my contract. He then said to Park, "You are going to be sick now; you are lonely here; it will be very pleasant for you to have Lyon come in occasionally and see you." Park said he would be very glad if I would do so. Stewart gave me a good character, perhaps better than I deserved; and Park also said that he was satisfied that I was all right, and that he would like very well to have me come up there. I did drop in and see Park a few times. Park told me he owned one-third of that contract which Stewart had made with me. I said to him that Stewart had told me so, and had said that they two were together. A few days afterward a telegram came from him to Park, saying that

Mr. Stewart had accomplished his mission and had got control of th New York stock. The particulars and details of it I did not know ti the following spring. If I did not call on Mr. Park for a day or two, h would send for me and say that he liked to have somebody to talk t He often asked me to dine with him, but I never did so. I was lear ing a little something, and I remained there during the winter. M Park was quite free in talking with me, and often told me of vario little things which had occurred during the negotiation. I found o Mr. Fisher there, I think from Burlington, Vt.; Mr. Park and he wer old acquaintances. He appeared to be manipulating for Mr. Park o the market. He would come to Mr. Park and get money from him, an exchange checks and do business of that kind, and I saw very clearl what was going on. Mr. Park was evidently endeavoring to sell the balance of his Emma Mine shares. General Schenck wrote a letter to Mr. Park, about the 1st of December, as nearly as I can remember, (it was a short time previous to the writing of the letter which I have seen published recently,) resigning his position as director of the Emma Mine Company. Park showed me this letter, which was directed to the chairman of the Emma Mine Company, but which was sent to Mr. Park first. He told me to look at the letter from General Schenck, and he mentioned that he had resigned. I said I understood so, as it had been talked about for a day or two. I read the letter, to the effect that he did not want to give his political enemies an opportunity to criticise him. There were two letters written by him.

By Mr. PACKER:

Q. Did you recognize that letter as in General Schenck's handwriting?—A. No, sir; I could not swear to it.

Q. You have no knowledge, other than Mr. Park's statement, that it was written by General Schenck?—A. That is all. The substance of the letter was that, on account of not wishing to give an opportunity for criticism to his political enemies, he resigned his position as director. That was the only reason given in that letter. Park said, "I am going to have a better letter than that from the general." A few days afterward he showed me this other letter, which has been published in the papers, in which General Schenck speaks of the character of the directors. This letter was dated December 6, 1871, and is the one which I have seen published here within a few days past.

By Mr. HEWITT:

Q. Did you see that letter before it was published?—A. Yes; I saw it before it went to the office of the Emma Mine Company. It was in Mr. Park's hands when I saw it. It had not been sent for publication Mr. Park said, "This is a better indorsement of the mine than Genera Schenck's name as director simply was." Soon afterward, some tim between the 20th December and the 1st of January, a report came t London that Senator Blair had introduced a resolution in the Senate t investigate General Schenck's connection with the Emma Mine, or rathe to investigate the connection of foreign ministers with mining ente prises. We knew it referred to General Schenck. Park and I discusse the matter, and he said, "I have fixed that matter with the general. Said I, "How did you fix it?" Said he, "I sent to the general, and ha him give me his note for this stock, and write me a letter at the sam time that if his note for the stock were not good security enough h would give me a mortgage on his house and lot in Washington." Sai I, "Did you swear to that?" "No," said he, "I only certified to it an

ent it to Senator Stewart to certify it also; and that will dry up Blair's esolution."

By Mr. SPRINGER:

Q. What was the date of that conversation?—A. It was soon after ie news came to London. I cannot say whether it was after it came y telegraph or after its publication in the newspapers. Mr. Park and came into possession of the information about the same time.

By Mr. PACKER:

Q. Was any person present at that conversation between Park and urself?—A. No, sir.

By Mr. HEWITT:

Q. Was there any conversation about that time between you and Park to the fact of General Schenck not having paid for those shares?—A. , sir. I do not think that any such conversation occurred. Park never d me that he gave General Schenck five hundred shares of stock; knowledge of that came from Mr. Stewart. Mr. Irwin Davis subse- ently got into a difficulty with Park about his one-sixth interest. Mr. vis was assisting Park in fighting me in this lawsuit in America, in ich Davis's interest was to work against me, as his one-sixth interest the amount would be increased on the defeat of my claim. We were endly enough, but at the same time we were engaged in litigation. vis was about commencing a lawsuit against Park for his one-sixth erest. Davis and Park could not get together on a settlement, and conversation with Davis I learned how much Stewart had charged n for expenses, and the items agreed with the charges against me. said that he got his statement from Mr. Park's figures. Mr. Park d me that Davis had taken the paper off from his table.

By Mr. SPRINGER:

Q. What was the object of making these various payments?—A. To ow the expenses of the sale, and to show Mr. Davis how much would coming to him on his one-sixth interest.

By Mr. HEWITT:

Q. What did you understand Park to mean when he said that he had ixed" this thing with General Schenck?—A. The inference that I drew om it at that time was——

(Mr. PACKER objected to the witness stating any inference.)

Q. Repeat what Park said to you in that respect.—A. This was the st trouble we had heard of in respect to General Schenck's connection th the matter, and Mr. Park said, "I have fixed this thing with the neral." I asked how. He said that he had had the general give him note for this stock.

Q. Did he say that General Schenck had given him his note since s news had come out?—A. I supposed that he had just done it then. at was my idea—that he had fixed it up then. He said that he had en General Schenck's note, and that General Schenck said that if t was not good security he would give him a mortgage on his house l lot in Washington. Said I to Mr. Park, "Did you swear to it?" o," said he, "but I certified to it, and sent it to Senator Stewart to tify to; and that will dry up Blair's resolution." And we supposed id, for we heard no more about it.

By Mr. PACKER:

Q. Did he say at what time he had taken General Schenck's note?—He did not.

By Mr. SPRINGER:

Q. You understood that it was subsequent to the passage of the resolution in the Senate?—A. I did. It was very necessary to sell some more shares in order to get a quotation on the London Stock Exchange, and eight thousand five hundred shares were advertised to be sold at £23 a share. The chairman made a statement that in consequence of the large discoveries of ore that was a very low price; that they had prevailed on the partners to part with some more shares. The stock was then £24 on the Stock Exchange. I called on Mr. Park on the 5th or 6th of April, when a famous telegram had come from the mine, signed by Williams, Silliman and Hussey: "Eighty thousand tons discovered since last report. Sample assay, $2,000 a ton." That would be $16,000,000. That telegram arrived the night before. Mr. Park told me to take down General Schenck's application for another 500 shares. He gave me an application, with General Schenck's signature to it. (I do not know the general's signature, and cannot swear to it.) Mr. Park gave me his check for £2,500, as the advertisement required £5 per share to be paid down, and the balance in ten days or two weeks. He told me to take that check, but not to go with it to the London and Westminster Bank, so that they could trace the transaction, but he wished me to go to Jay Cooke, McCulloch & Co., and draw £2,500 on that check, and take the Bank of England notes to the London and Westminster Bank and pay them there for General Schenck's subscription for the five hundred shares. He told me to go early in the morning, as it would have an influence on the subscriptions all day. I carried down the check about 10 o'clock in the morning, and, in the presence of another American gentleman, I handed the money to the teller of the London and Westminster Bank, who took the application for the 500 shares, and made the remark, "The general takes 500 shares more; that is good." I said, "Mr. Park wants to know how the thing is going on to-day." He said, "Very well," and pointed to a collection of fifteen or twenty persons about the desk. I said, "Are they subscribing?" He said, "Yes." Shortly after that Mr. Fisher came in to Mr. Park's, as Mr. Park was taking dinner, and said, "Mr. Park, I have sold out your stock. I have sold out all General Schenck's stock, and all my own." Said Park, "How much have you sold for me?" Fisher said, "Nine hundred shares." Park said, "That is 300 shares more than I ordered you to sell." "Well," said Fisher, "I will take the contract of sale myself." "No," said Park, "that is all right; I will take it." So I concluded at that time that that was the closing up of General Schenck's subscriptions. The stock was selling, I think, on that day, at £31. It went to £33 afterward, which was the highest point it reached.

By Mr. SPRINGER:

Q. What was the par value of the stock?—A. Twenty pounds. The subscriptions to the stock were enormous. There was not enough to go around with only 8,500 shares, and with the subscriptions offered to stockholders only.

By Mr. HEWITT:

Q. That was the 6th of April, 1872.—A. I think so, [referring to a letter.] Here is a letter which I had from Mr. Park on the 5th April, 1872, directing the secretary to show me the list of stockholders, and to give me any information I desired. Mr. Park was desirous to have me go there and take some proxies of parties who I knew had stock standing in their name. He wished me to get their proxies and sub-

cribe in their names for stock, in order to swell up the subscriptions, ut I did not care about buying any stock for £23 a share.

By Mr. WILLIAMS:

Q. Did you believe at that time that that was good and valuable ock?—A. No, sir.

Q. Why did you aid Mr. Park in the transaction?—A. I was not in e inside. I merely give that as my opinion.

Q. Did you aid in negotiating the stock?—A. No, sir; never a share all the time I was in London.

Q. Did you not recommend it?—A. Never, to any party.

By Mr. SPRINGER:

Q. Were you in London at the time General Schenck's resignation as rector was published in the London Times?—A. I was.

Q. Did you notice any impression on the public mind, caused by the iblication of that fact?—A. We heard a good deal of talk about it nong people owning the shares. I do not know that I heard anything ifavorable about it.

By Mr. HEWITT:

Q. Do you know any reason why the resignation of General Schenck' is concealed, from December till the 12th of January, when was published?—A. Only the general reason that it was not desirle to have General Schenck resign from the company, on account of e character of the stock, I suppose.

By Mr. PACKER:

Q. That is a mere inference. You never heard such a statement from eneral Schenck?—A. No, sir.

By Mr. SPRINGER:

Q. Was the idea impressed on the public mind that the Government the United States was interested in the matter?—A. I have had subribers come to me and say that they thought the Government of the iited States was backing it, but of course they were ignorant people.

By Mr. FAULKNER:

Q. Had you any conversation with General Schenck?—A. A ry short conversation. Previous to the money being paid over Park, there was a little sensation there. Park was anxious and rvous to get this money in his hands. Park requested the presence General Schenck, as he (General Schenck) was one of the trustees the title. He had become not only a director, but a trustee, the ne as Puleston, until the title was delivered to the corporation and money paid. I went over to General Schenck with a letter from . Park, and that was the first introduction I had to him. I was induced to him by that letter. I met him at his house. He did not k much to me. It was about a meeting of the trustees. Mr. Park s very anxious to get the money. Mr. Puleston was there. Mr. Park nted to convey the money to America immediately, without delay, t there was some question about the title, and they got Mr. Evarts, New York, to report on the title, which was simply to say that the iited States patent was good. I think that at that time Mr. Park aranteed the title. He and I had a laugh about it. He said that he aranteed the United States Government only, but did not guarantee at the mine was in the grant covered by the title. General Schenck d not come over at that time. I called at his house another time, but

he was out of town. I called a third time, and left a message th I think Mr. Park gave me a telegram to send to General Schenck, the country. I never saw anything of General Schenck after that, cept in his carriage.

By Mr. PACKER:

Q. Then you never had any conversation with him about the matter?- A. Never.

Adjourned till to morrow a. m.

REPORT OF PROFESSOR B. SILLIMAN ON THE EMMA SILVER-MINE.

SALT LAKE CITY, *October* 16, 1871.

I find the Emma silver-mine opened at an elevation of about nine thousand (9,000 feet in the Little Cottonwood Cañon, twenty-seven (27) miles south of Salt Lake City A practicable wagon-road leads quite to the mine. Little Cottonwood Cañon is a gorge obliquely transverse to the great Wahsatch range of mountains, one of the most re markable mountain-masses of Central North America, extending from latitude thirty seven (37) to latitude forty-seven (47) north, in a general direction northeast and south west, and reaching in its lofty sierras an elevation of not less than eleven or twelve thousand feet, some of which are snow-clad all the year.

The granite mountains of Little Cottonwood Cañon are probably metamorphic con glomerates, and are uplifted at an angle of 40 to 60 degrees, or even more, with north easterly dips for many miles up the cañon, the original lines of bedding being distinctly visible. They are followed by beds of quartzite, alternate scales and limestone, all o conformable dips.

The main course of the gorge or cañon at the Emma Mine is north 62 degrees east. The geological horizon of the mine is probably in the Lower Carboniferous, but the data sustaining this opinion are incomplete, the limestone-beds adjacent being rarely fossiliferous.

The few fossils I have seen sustain the above opinion. The Emma vein in this limestone is traced from the main opening far up the mountain-side north 40 degrees west, about half a mile above the dump, where it is opened at the Savage Mine upon identical ores. The Emma is explored by an adit driven in limestone over 300 feet, cutting the main ore-mass of the mine obliquely to its course, and very nearly upon the meridian line of its greatest diameter and vertex.

This great mass was discovered by an oblique shaft, known as "Woodman's shaft," sunk upon the line of the lode some distance up the mountain, where a green stain and several thread-veins in rotten limestone indicated the probable existence of a vein, masses of galena, with pyrites, adding their evidence. At a depth of somewhat over 100 feet, this exploratory shaft entered the body of rich silver-ore near its apex, and led to the discovering this remarkable mine. This great body of rich silver-ore has above the seventh floor a vertical height of about 110 feet; its transverse section is rudely elliptical, with diameter of about 80 feet by 60. The entire mass is in shape an ovoid obliquely distorted.

It has been opened by seventeen floors of timber, each set of timber being formed in squares of 4 by 4 feet horizontal, and 6 feet vertical, in the manner known as the Comstock method of timbering in Virginia City.

In the aggregate the amount of silver-ores removed from the great chamber is about twenty-five thousand (25,000) tons, of which eight thousand are second class; and its money-value in silver and lead is stated at over three and a half million dollars, independent of the reserves and late discoveries of new ore-masses presently to be described.

The realty of this mine is secured by a patent from the United States Government; the mine holds also, by grant of the territorial legislature, a right to all the timber required for mining purposes, and owns part of a saw-mill, where the timber is prepared. A large quantity of 10-inch-square timber now lies at the mine's mouth, and more of the same kind, already framed for immediate use, is within the mine, sufficient for many months to come.

The cost of mining and extraction of the ores, and of exploration at the Emma Mine, is exceptionally small, owing to the complete state of decomposition in the vein, which renders the use of gunpowder almost unknown, either in driving an end or taking down ores. One man with a pick drives an end from four to ten feet in a shift in exploration.

The whole ore-mass is completely decomposed excepting the galena, and the whole

te free from water. Even in the bottom of the exploratory shaft, a small ter which was in a pit sunk under the seventh floor has drained off since as sunk to a lower level, proving the existence of open ground to a great t of moment in the future of the mine. The mine-adit is about 500 feet vater of the cañon adjacent, and is probably 1,500 feet below the top of the giving a wide range for draining. Pumps are unknown, and one horse-itherto raised all the ore from below the adit explorations.

ampled wealth and abundance of the ores found in the great chamber of Mine caused the former management to neglect explorations, and to con lves with extracting the ores in sight, which seemed inexhaustible.

within a few weeks that, under a new manager, systematic explorations ndertaken, which are already rewarded by the most encouraging results. nanagement the force of the mine has been almost exclusively occupied in s, the reserves of ores standing in the mine being held back; no other ores hrown down in driving levels and in sinking in new ground being taken explorations have already demonstrated the extension of the vein to the nore than one hundred (100) feet beyond its former known limits; and, hey show that what was supposed to be the wall-rock in that direction is n the body of the vein, which is thus proved to extend in great power, and o a width not yet fully determined on the right, going northwest; thus, floor this level is now in a body of first-class ores forming seams of four (4) feet in vein-matter of a lower grade at least fifty (50) feet thick; the first-ries much galena, with green, black, and red ores of high grade.

body shows well in the fourth floor under, still going northwest, and the of the fourth, sixth, eighth, and tenth floors above in the same direction. ese explorations have already laid open new bodies of ore of the most en-escription, it is yet too soon to estimate their extent since they have not ross-cut, but they demonstrate that the vein is of great power and wealth. f the chambers, late explorations show also that the extent of the ores is greater than was formerly supposed, and in other directions than the

specially the case in the eleventh, (11th,) tenth, (10th,) ninth, (9th,) and floors above, as well as over the eleventh, (11th) in all of which very im-ies of ores have been exposed outside the timber, and are now ready for xtraction. This is also especially true upon the second (2nd) and third

rations in depth are by a shaft, sunk on what is called a foot-wall in in-ce, which was reached fourteen (14) feet under the seventh (7th) or lower which the shaft has gone down in ore at an angle of about fifteen (15) of for a depth, on the 12th of October, of ninety (90) feet; this shaft adjoins aft; there is ore all the way in this shaft, but no cross-cut or drift has de to prove its width and extent. At fifty (50) feet depth in the shaft is wo (2) feet of galena on the wall, which gave me fifty (50) per cent. of wo hundred and twenty-four (224) dollars silver per ton.

ttom of the shaft ninety (90) feet, a mass of black carbonates of lead gave (46) per cent. lead and one hundred and fifty-seven (157) dollars silver per feet northwest of this shaft is a pit sunk some time since about twenty-t, which also cuts the foot-wall and carries a course of four feet of black lena; the galena gave me fifty-seven (57) per cent. lead, and one hundred three (183) dollars silver per ton; the black ore yielded lead twenty-six t., and silver one hundred and eighty-three (183) dollars per ton.

e pit before alluded to which has been unwatered by the shaft now sink-ow dry, as is also the shaft. This is the extent of the explorations made great ore-chamber, mostly within the last four or five weeks. They are all , but are far from exhibiting its full extent.

acter of the ores in the new levels is of the most satisfactory description. ellow antimonial ores northwest from the eighth floor gave me lead forty-er cent., silver twenty-two hundred (2,200) dollars per ton; the green and ates gave lead thirty-eight (38) per cent., silver four hundred and forty (440) ton; the yellow-brown ores beyond the sixth floor yield sixty-two (62) ad and five hundred and three (503) dollars silver per ton; the brown ores same floor gave me fifty-four (54) per cent. lead, and ten hundred and (1,021) dollars silver per ton. All these samples are from new explorations f old workings.

cal depth of explorations is now about two hundred (200) feet, and the re-tisfactory for the future of the Emma Mine.

nt of ores already exposed in these new explorations is such as will enable er to send out a large daily supply of first and second class ores as soon as nted; but it is wisely decided, in view of the existing reserves immediately o prosecute with vigor the work of exploration, both in depth and exten-

and to determine the width of the ore-body by cross-cuts at frequent intervals. T cost of these explorations is much more than met by the ores extracted in the proce which, without stopping at all, amount to over ten (10) tons daily. As the work a vances, the force engaged in exploration will be increased.

An important evidence of the continuity and power of the vein is found in the fa that other valuable mines known as the Savage and Montezuma have been opened up the mountain, half a mile above the Emma, upon identical ores, and that t northwest direction of the new levels in the Emma coincides with the openings these upper mines, where, in the minutest mineralogical characteristics, the ores of t two mines are identical. Another evidence of the strength and deep-seated origin the Emma vein is found in the brecciated nature of large portions of the vein ou side the richest deposits of ore, and penetrated by them.

This breccia consists of angular fragments of vein stuff cemented by rich silver ores, largely black sulphurates of silver in a fine granular state. It is distinctly sep arated from the country limestone, which it cuts at an angle, and selvages a various colored argillaceous matter, all containing notable quantities of silver which line this ore-mass. These are all well-recognized characteristics of a vein filling a deep-seated fissure, and expanding at intervals into vast chambers filled with rich ores in a decomposed and friable condition.

The absence of any visible gangue in the great chamber of the Emma is a noticeable feature of this remarkable deposit, but chemical analysis reveals the fact that over forty (40) per cent. of the average mass is composed of silica, thus showing that this familiar vein stuff is the real gangue of the Emma Mine disguised by the highly decomposed condition of the ores.

These several facts, in my opinion, establish beyond all reasonable doubt the conclusion that the Emma is a true mineral vein of great power, and place it in the category of the great mines of the world.

Explorations in depth and on the course of the lode will doubtless confirm these conclusions, and sustain the wonderful productiveness which the mine has heretofore exhibited.

Of ores and bullion now on hand, and of ore reserves in the mine, I present the following statement:

1st. From the books of the secretary of the Emma Silver Mining Company, I find the amount of ores now on hand, sacked and ready for shipment at Salt Lake Railroad depot, and those in transition from the mine to the railroad, is twenty-five hundred tons.

*2d. Bullion bars at Salt Lake City, worth three hundred ounces (300) of silver per ton, one hundred tons.

3d. In the ore-house at the mine, and on the floors of the mine, ready to sack of first-class ores, say, stated three hundred tons.

4th. Now standing under the first floor of the mine, and partly of late exploration, a body of first-class ores measuring five thousand three hundred and twelve tons, say five thousand.

5th. A body of galena newly exposed under the second floor of the mine, and outside of former working, measuring twenty-seven hundred tons, say twenty-five hundred.

6th. The new bodies of ore northwest from the fourth floor above down to the fourth floor below, measuring thirty-nine hundred tons, of which are estimated as first class, say two thousand tons.

7th. Between the eighth and tenth floors, partly of old and partly of new explorations, there are now standing not less than one thousand tons.

8th. A new body of ores going to the northwest of the eighth, ninth, and tenth floors, exposed on the face and over the fourth floor, but not opened out above, estimated at one thousand tons.

9th. A body of galena outside the former workings, standing on the tenth floor, estimated at two hundred and fifty tons.

10th. In addition to the foregoing, there are considerable bodies of first-class ores on and above the eleventh floor, on the seventh floor below, and at various parts of the great chamber partly outside former workings, estimated in the aggregate at not less than fifteen hundred tons.

Total aggregate of first-class ores and bullion now on hand or standing in Emma mine, sixteen thousand one hundred and fifty tons.

11th. Second-class ores now on the dumps of the mine, and worth twenty (20) per cent. in lead, and from fifty to seventy-five dollars per ton in silver, say eight thousand tons.

12th. A large body of second-class ores now standing in the mine, of which no account is taken, as also the body of ores lately exposed in the shaft and pits under the seventh floor, which ores are of considerable, but as yet unknown, amount.

* These bars, having been sold for account of the vendors, do not pass to the company.

eserves of all classes enumerated, twenty-four thousand one hundred and fifty

lue of the first-class ores will be best learned from the smelter's returns of s to Swansea.

ond-class ores should be concentrated at the mine to a grade at least equal to lass ores, which can be readily done. As yet the second-class ores have re- r less attention than they deserve.

st of smelting the ores of the Emma Mine in Salt Lake Valley is stated uthority here not to exceed eighteen dollars ($18) per ton.

ant deposits of good coal, believed to be well adapted to smelting, exist within es of Little Cottonwood Cañon, which will soon be available by a railway tructing.

power for mechanical use is abundant, and the agricultural resources of the re ample.

B. SILLIMAN,
Professor of General and Applied Chemistry, &c., Yale College.

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tary report of Professor B. Silliman on the Emma Mine, in Little Cottonwood Cañon, Utah Territory.

airman and directors of the Emma Silver-Mining Company, limited, of London : MEN: Since the 24th instant I have, in company with Mr. E. Brydges Wil- P., and Hon. Wm. M. Stewart, visited and examined the Emma Mine, the of the Emma Silver-Mining Company, limited.

ing the tenor of my former report, dated in this city October 16, 1871, I have d that the new explorations, at that time inaugurated, have been greatly ex- virgin ground, and fully confirm the statements and predictions then made. ey may be truthfully said to exceed our expectations, and they have certainly less than two (2) years to the life of the mine, and probably more. The time in these explorations since my last report has been only a little over four (4) nd the ores extracted from them in prosecution of the work of driving levels e gone far to supply the daily shipments. The quantity of ores taken from es, before stated to be available in the mine, has not exceeded one thousand lifference having been supplied from entirely new ground.

ew explorations are still in progress, and the two directors of the company who essed their extent and importance fully agree with me, and with the resi- rintendent and mining captain, that they should be continued without inter-

ent and direction of these new explorations will be best understood by an of the accompanying diagram,* showing the course and direction of the ady performed and now in progress upon the several levels or floors of the in general their relation to the great ore-chamber. It must be understood es have been stoped or taken down along these new explorations, and that ore-body now remains intact, but open and ready for stoping as soon as the quired for shipment.

orations have been made in depth below the points indicated in my former r does it appear to us at present advisable to explore deeper than the level hth floor under the adit.

sons for this opinion are, 1st. That, owing to the rapid elevation of the side, the mine is constantly gaining in depth, virtually, as the levels are run ody of the hill, giving already fully two hundred and fifty (250) feet of backs s upon the underlay of the ore; and 2d. That to prosecute explorations at a pth would be attended with inconvenience, and must involve the erection of for hoisting, or the opening of a new tunnel or adit at a corresponding lower e or both of these undertakings may very possibly be directed in another o, but are in our opinion quite uncalled for now. With fully three (3) years' ht in the present workings, it must be evident to all that any such expend- bor and capital would be useless at present.

ons given in the former report for regarding the Emma Mine as existing upon nt and well-characterized vein have been again reviewed, and we are now o re-affirm, with confidence, the opinion that this mine is situated upon a great lt or ore channel, fully mineralized, and giving the strongest evidence in its character; in angular and comminuted fragments of the country rock, torn sted into the ore-mass; in the continuous foot-wall, striated by mechanical

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m not completed in time to send with this, but will be sent later; until then serve this report.

motion and faced with a well-formed fluccan; and in the extensive alteration and composition of the associated minerals, that it will prevail to a great depth and ext offering every inducement for active and continued exploration, and holding out to owners the best prospect possible in mining, of uniform and satisfactory returns their capital.

We do not affirm that this remarkable ore-mass fills a fissure, formed by a fract of the country-rocks, across their lines of bedding. So far as can now be seen, the fo wall of the mine, which has been exposed on its slope for over two hundred and fif (250) feet in depth, is conformable to the limestone-beds of the mountain.

The hanging-wall has as yet been seldom seen in the new explorations, but is d tir ctly visible over the whim-shaft, in the old workings, forming the easterly marg of the great ore-body described in my former report.

A winze has been sunk from the track-floor all the way upon the foot-wall, and t shaft ninety-seven (97) feet deep, below the eighth floor, followed the same wall all t way in ore; while the same guide has been nearly always present to the miner drifting to the northwest, changing sometimes to north or northeast, but maintaini in the main a northerly direction.

The thickness of the ore in the new explorations varies very greatly. It sometin widens out to more than twenty-five (25) feet, and occasionally it pinches to a f inches.

The thickness has not in all places been determined when it exceeds the width of t levels.

We believe it may, however, be fairly stated at an average width of six feet fo depth of about two hundred (200) feet and an extent of one hundred and fifty (150) fe

In two of the drifts it has been explored for two hundred and twenty (220) feet, a the depth might be safely stated at something over two hundred (200) feet.

Upon these data we conclude that the body of ores, of all grades, now standing in t new exploration will reach fully twenty-four thousand (24,000) tons [of two thouss (2,000) pounds,] one-half of which will probably fall into the rank of first-class ore

Appended is a tabular statement of the assay of sixteen (16) samples gathered by from the several levels along the course of these explorations, designed to show average of the value of all classes of ores.

These averages are [deducting numbers ten (10) and sixteen (16) as being pic specimens] as follows, viz:

Lead	53.5 per cent
Silver, (ounces)	144.43 per ton.
Silver, (value in dollars)	186.73 per ton.

It will be observed that these averages do not vary much from the general aver of the mine, in its former workings, and give an earnest of its future.

The ores from the fourth (4th) floor above show the lowest grades of ore in the mi

It is satisfactory to know that the lowest level holds its own fully with the aver of the mine.

Numbers two (2) and fifteen (15) ought not properly to be included in the aver as they were selected for a special purpose—number two (2) consisting only of a lo sandy material, apparently worthless, and carefully separated from all visible lump ore, while number fifteen (15) was of intent selected as showing so much oxide of i as to lead to the suggestion that it might perhaps be of value as a flux in case the c pany should decide to smelt their own ores.

If these two samples are withdrawn the general average of the remainder will materially increased, giving as follows, viz:

Lead	58.16 per cent
Silver, (ounces)	176.77 per ton.
Silver, (value in dollars)	228.58 per ton.

The second-class ores of this mine include all which are below one hundred (1 dollars in value, and all such have been reserved from shipment.

We will not attempt to name the number of tons of such ores which have alre accumulated and are now available, pending the decision of the company as to the b mode of working them, but simply state the fact that the quantity is someth immense.

We will say, however, that our best opinion respecting them is, *that they shoul concentrated at the mine;* and that it is a matter which demands mature considerat on the part of the company how this is best to be accomplished.

The creek which runs in the cañon at the dump of the mine will afford all the wa required for an extensive system of dressing-floors, and in the opinion of the mana will also give motion to the machinery required.

If, however, a small steam-engine should be required to economize the water, a avoid the chance of a limited supply during the winter, when the snows accumul to such an extent as to diminish the flow of water, the additional cost will be trifli compared with the benefits which will be secured. The present highly advanced st

f the art of ore-dressing, as it exists in Germany, and probably in England, will no loubt meet the demands of this important problem.

It is certain that at no distant day the company will reap highly important returns from the proper consideration of this important subject, while at present, and for a long time to come, the cost of transportation will prevent the movement of this class of ores from the mine without concentration. The question of smelting the ores of the Emma Mine in Utah we desire to hold in abeyance, pending further and more mature observation and investigation.

This question depends chiefly upon two facts for which we still lack adequate data: first, the fuel; second, the supply of other ores needed to flux those of your mine to advantage.

We therefore respectfully desire to communicate to you at an early day the result of our investigations upon this matter, and will not detain this present report for that purpose.

We hold the same reserve, also, respecting the question of a wire tramway for the transportation of ores from the mine to the mouth of the cañon.

This subject engages our attention, but we are not yet in a position to advise the company decisively with regard to it.

In conclusion, we beg leave to call the attention of the company to the exceptionally small costs of working the Emma Mine, a matter alluded to in the former report of October 16. We found but fourteen (14) miners engaged in the mine in all descriptions of mining, and we find, moreover, that the average cost of extracting the ore and placing it in the ore-house, does not exceed eight (8) per centum of its gross value. The cost of hauling the ores from the mine to Sandy station is about equal to all the mining expenses, including salaries of officers, provisions, and supplies of all kinds. This statement will be better understood by inspecting the monthly statement of the Salt Lake office of the company for January, 1872, which is appended, marked B.

I have the honor to remain, gentlemen, your obedient servant,

B. SILLIMAN.

SALT LAKE CITY, *February* 29, 1872.

Having accompanied Professor Silliman in his examination of the Emma Mine, and discussed with him the several points considered in the foregoing report, we desire now to express our concurrence therein.

E. BRYDGES-WILLYAMS.
WM. M. STEWART.

Assay of ores of Emma Mine from new explorations.

No.	Description of ore.	Per cent lead per ton.	Ounces silver per ton.	Value of silver per ton in dollars.
1	First floor, blue galena, 210 in. drift	69	77.76	100.54
2	First floor, sand from second-class ore dump	27.5	53.46	69.12
3	Fourth floor, above adit near end of drift	40	55.88	72.46
4	Fourth floor, above adit	[illegible]	68.04	87.96
5	Fourth floor, above adit	[illegible]	65.60	84.82
6	Seventh floor, above clay body	70	281.86	364.40
7	Seventh floor, above clay, northwest end average	65	97.20	125.66
8	Seventh floor, above dark gray ore, white body	53.5	461.70	596.86
9	Seventh floor, above ladder-way	42	145.80	188.50
10	Eighth floor, above first-class ore	68	877.22	1,134.14
11	Fourth floor, below average sample	67.5	315.90	408.62
12	Sixth floor, below average sample	65	194.40	251.36
13	Eighth floor, below average above winze	74	114.20	147.64
14	Eighth floor, below bottom of winze	37	243.	314.17
15	Eighth floor, below red ore second-class, special	24	46.16	59.68
16	Eighth floor, below first-class ore, specimen	66	614.78	794.82
	Average of all, deducting Nos. 10 and 16	53.5	144.43	186.73
	Average of all, deducting Nos. 10, 16, 2, and 15	58.16	176.77	228.58

Summary of statement of expenses of the Emma Silver-Mining Company, limited, for month of January, 1872.

SALT LAKE CITY, *January* 31, 187

Wages, provisions, supplies, &c., &c.,		$6,153
10,000 ore-sacks	$2,350 00	
Freighting them to mine	40 30	
		2,390
Hauling 861$\frac{882}{2000}$ tons ore from mine to railroad, at $9.50		8,183
Extra cost loading ore in railroad-cars at Sandy		117
Total		16,844

In the above account the hauling expenses appear to apply to 861 tons ores, but it do not appear to what quantity the other items apply, and the directors are without fu ther information, in the absence of which this account is of little value for compariso

SALT LAKE CITY, *April* 2, 1872.

DEAR SIR: Since the date of my last report, 29th February last, and up to the 1 instant, important developments of new ore-bodies have been made, in the regul course of explorations before inaugurated in the Emma Mine, of which I am able t give you a summary, referring, for clearness of comprehension, to the map which w forwarded in illustration of my last report.

The winze on the line A. B. has been extended to a depth of seventy (70) feet belo the eighth floor, all the way in ore. How wide this ore-body is cannot now be told; but completely fills the winze, and there are good reasons for believing it may be of muc greater width. The ores laid open by this winze are of high value, given for a san ple at the bottom an average value of $219 per ton. The sixteenth floor, below tl track, has been commenced from this winze at a point 60 feet below the eighth floo and is now (April 1) thirty-five (35) feet southwardly, and the ores laid open by it are exceptional richness, a sample at the end yielding one thousand nine hundred and nine ($1,990) dollars, mostly in silver. It has also been extended northwest about five (feet. This level will be extended south without delay, until it connects with the sha near the horse-whim (which I mentioned in my report of October 16, 1871, as beir about 97 feet deep,) a distance probably on the course of the ore of about 140 fee This will give ventilation to the winze, and open a path for the easy delivery of ore After this work has been accomplished, the sinking of the winze will be resumed, a continue actively. The ore-mass can then also be cross-cut, to determine its widt which is now difficult, owing to the want of ventilation, and of any convenient mea of disposition of the ores.

The 8th floor below the track has been extended fifty (50) feet, all the way in o on the foot-wall to the northwest. The ores are of fair average quality.

The 7th floor above the track has been driven, all the way in good ore, one hundr and twenty-five (125) feet to the northwest, making the drift, on the 1st instant, tw hundred and thirty-eight (238) feet beyond the old ore-body. Two winzes have be raised on the foot-wall, one from each branch of the 4th floor drift above the track, the 8th floor above, all in good ore.

The 10th floor over the track has been opened for about twenty (20) feet on the cou of the lode, over and in the ore-body, which is twenty-six (26) feet thick on the 7 floor.

An approximate estimate of the amount of ores exposed by the several exploratio shows that there are over eight thousand (8,000) tons, and there may be much mor Cross-cutting only can fix the amount in excess of this estimate.

It will not escape your notice that the quantity of ores revealed by this month's e plorations is most satisfactory, and is certainly greater than could reasonably ha been anticipated.

The works of exploration in dead ground, which I advised at the date of my form report, are still in progress, and will be continued probably for another month or mo These are, first, a cross-cut in the country-rock running from a point on the 8th flo below, about forty-two (42) feet south of the "winze" in a direction N. 20° E. Th drift is in fifty-five (55) feet in limestone, and has for its object the proving of t ground where there is some reason to expect a new body of ore; second, an extensi of the track-floor drift to the northwest from the end shown on the map, about twen (20) feet, also in limestone. The ore continues to the right of this drift or cross-cut, t object of which is to open up a body of ground to the northwest, where there are go reasons to anticipate the existence of new ore-bodies. It is only by such means th new discoveries can reasonably be anticipated outside the known limits of existi bodies, and the costs incurred are small in comparison with the importance of the d coveries likely to be made. The proper time to conduct such explorations is when t mine is full of reserves, which is happily your present case.

At the close of the current month I shall direct a new map to be forwarded to the London office, showing the course and direction of the explorations now enumerated, as well as the work to be performed in extension of present explorations up to that date.

Meanwhile I have the honor to remain your obedient servant,

B. SILLIMAN.

GEORGE ANDERSON, Esq., M. P.,
Chairman of the Emma Silver-Mining Company, limited, London.

PROSPECTUS.

[Second edition—illustrated.]

Subscription for 25,000 shares of £20 each, being the unappropriated capital of the Emma Silver-Mining Company, limited. Incorporated under the limited liability acts, 1862 *and* 1867.

Capital, £1,000,000, in 50,000 shares of £20 each, of which 25,000 shares are appropriated as referred to herein.

Payments.

	Per share.
On application	£2
On allotment	3
On 15th December, 1871	5
On 15th January, 1872	5
On 15th February, 1872	5
	20

The whole of the installments may, however, be paid up on allotment, in which case a priority of consideration will be given to such applications, and such shares will be entitled at once to rank for dividends on the whole amount so paid up.

From the fact of the company coming into immediate profits on the transfer of the property, the system pursued in the mining-districts of the United States with most large mines, of paying monthly dividends, is intended to be adopted by this company.

The first monthly dividend, at the rate of 18 per cent. per annum, will be payable on the 1st December next, on the amount paid up on each share, and subsequent dividends will become payable on the 1st of each month.

Directors.

George Anderson, esq., M. P., London, chairman; E. Brydges-Willyams, esq., M. P., London, deputy chairman; Percy Doyle, esq., C. B., London; E. Leigh Pemberton, esq., M. P., London; the honorable John C. Stanley, London; Major-General Robert C. Schenck, United States minister, London; General H. Henry Baxter, ex-president of the New York Central Railway Company, New York; Trenor William Park, esq., president of the National Bank, North Bennington, Vermont; the honorable William M. Stewart, United States Senator, Nevada.

Resident general manager and inspector of mine.

Warren Hussey, esq., president of the National Bank, Utah.

Trustees.

George Anderson, esq., M. P., chairman of the company, London; Major-General Robert C. Schenck, United States minister, London; J. H. Puleston, esq., of the firm of Jay Cooke, McCulloch & Company, bankers, London.

These gentlemen have consented to act as trustees for the shareholders until the property is duly transferred; and until the trustees shall have received a certificate from the solicitors of the company that the transfer of the property has been completed, no part of the purchase-money will be paid.

Bankers.

The London and Westminster Bank, 41 Lothbury, London, and its branches; Messrs Jay Cooke, McCulloch & Company, London and New York.

Solicitors.

Messrs. Bischoff, Bompas & Bischoff, 4 Great Winchester Street Buildings, E. C. London.

Brokers.

Messrs. Huggins & Rowsell, 1 Threadneedle street, E. C., London; Messrs. C & Hankey, 24 Gresham street, E. C., London.

Auditors.

Messrs. C. F. Kemp, Ford & Company, 8 Walbrook, E. C., London.

Secretary.

William Henry Tooke, esq.
Offices: 70 and 71 Palmerston Buildings, Old Broad street, E. C., London.

Prospectus.—Objects of company.

This company is formed to purchase the celebrated silver mine, known as the E Silver-Mine, of Utah, United States.

The great reputation this mine has acquired from the amount of its yield, an(richness of the ores already produced, renders a very detailed report unnecessary the following facts and figures are given as affording an index to the character c property to be acquired by this company.

Description of mine.

The exact location of the mine is at Little Cottonwood Cañon, Utah, about si: miles from the branch of the Pacific Railroad.

The extent of the mine is 2,400 feet, or nearly half a mile in length; the title is perfect, being secured by a United States patent.

The owners of the mine are also entitled to an extension of 600 feet under the mining laws, the benefit of which will also be assigned to this company, who w due course apply for a patent-title to the same.

The mine was discovered in the early part of the year 1870, but was not work any great extent until the autumn of that year, when the then owners began shi the ores to London and Liverpool for sale.

Quantities of ores raised by original owners.

Consignments accordingly were made by them to the well-known firms of M Lewis & Son, of Liverpool, and Messrs. Bath & Son, of London, in about equal p tions.

The first sale of ore by Messrs. Lewis & Son was on the 27th October, 1870, an(first sale by Messrs. Bath & Son on 29th October, 1870.

Amount realized.

Messrs. Lewis & Son sold from 27th October, 1870, to 30th May, 1871, 2,106¼ tons, producing	£78,884
Messrs. Bath & Son sold from 29th October, 1870, to 15th July, 1871, 2,201¼ tons, producing	84,770
Total, 4,311 tons, producing	163,655

This ore, consequently, realized an average of £37 19*s.* 3*d.* per ton.

Quantities of ore raised by present vendors in four months.

The present vendors acquired the mine on 25th April, 1871, and they have, fro May to 1st September, 1871, raised and forwarded ore from the mine, as follows,

To Messrs. Bath & Son, 1,641 tons of ore, estimated to realize	£5
To Messrs. Lewis & Son, 1,888 tons of ore, estimated to realize	6
To Utah, and smelted there, 359 tons, which realized net	1
To railway station, now *en route* to England, for account of this company, 2,800 tons, of the estimated value of	10
On hand for smelting, for account of this company, second-class ores, 6,000 tons, net estimated proceeds	6
	29

Deduct expenses, viz:		
Expenses at mine, from 1st May to 1st September, say	£7,000	
Freight from mine to New York, and to Liverpool, and other charges, say £8 15*s.* per ton, on 3,529 tons, consigned to Liverpool and London	30,879	
Ditto at railway station, for account of this company, 2,800 tons, say at £8 15*s.* per ton	24,500	
		6

Net amount produced.

Total estimated net yield of mine from 1st May to 1st September, equal to four months' working £231,059

Or at the rate of nearly £700,000 per annum.

The cost of extracting the ore ready for shipment or sale has hitherto been under 15*s.* per ton, or only about 2 per cent. of its value, a fact unprecedented in the annals of mining.

Hitherto ores shipped as produced.

From the enormous quantity of ore yielded, as also from its richness, no attempt has hitherto been made to work the mine on commercial principles of economy, the various owners contenting themselves with consigning the ores to England in the rough state as extracted, and at once encashing their value by bills drawn upon the consignees in Liverpool and London.

This system, it will be seen, is a very wasteful one, as freight and charges have also thereby to be paid on the refuse.

The proper and legitimate conduct of operations is to erect smelting-works at the mine, and smelt the ores on the spot, shipping to England only the bullion bars.

Saving and increase of profit by smelting at the mine.

Had this course been adopted by the consignors of the ore on which the previous estimate is made, a saving equal to about £5 per ton on the 6,329 tons shipped to England, equal to £31,645, would have been made.

The total profit for the four months ending 1st September would thus have been increased to £265,704, or at the rate of nearly eight hundred thousand pounds sterling per annum.

Terms of purchase.

The terms upon which the property is to be acquired are £500,000 in cash, and £500,000 in 25,000 fully paid-up shares.

Property acquired.

On the completion of the purchase, the company will obtain the following:

1. The Emma Mine.
2. The Emma Extension Claim.
3. Cash, being the balance of accrued profits receivable from consignments of ore by the vendors to London and Liverpool, amounting to £46,300
4. The 2,800 tons of first-class ore now being forwarded to England, of the estimated net value of 70,000
5. 8,000 tons of second-class ore, now piled up at mine, for smelting there, (including 2,000 tons raised by former owners,) of the estimated net value of 64,000
6. The mine includes about 13,250 tons of first-class ore, already developed in various parts of the mine, and described in Professor Silliman's report, of the estimated net value of 357,750
7. The whole of the plant, machinery, stocks, stores, timber, &c.

The circumstances under which this property is to be acquired by the company are exceptional, a sale of some of the interests being imperative under the arrangement made for the settlement of various claims, to enable the issue of the United States patent, which has since been obtained.

Monthly dividends.

From the fact of the company coming into accrued profits immediately upon the transfer of the property, the system pursued in the mining districts of the United States with most large mines, of paying monthly dividends, is intended to be adopted by this company.

Dividend limited to 18 per cent. until formation of fund to equalize dividends.

With a view to equalize and insure steady and continuous payments of dividends the division of profits will be restricted to 18 per cent. per annum, payable monthly until £180,000, equal to twelve monthly dividends at this minimum rate, are in hand in London, after which time the whole of the earnings—subject only to such reserves as the directors may deem advisable—will be divided monthly among the shareholders.

The effect of this arrangement must be to give great confidence in the permanent receipt by the shareholders of unusually remunerative dividends and consequent increase in the value of the shares.

First dividend in December next.

The first monthly dividend at the rate of 18 per cent. per annum will be payable on the 1st December next, on the amount paid up on each share.

Resources for dividend and fund to equalize dividends available by February next.

Toward the payment of dividends and creation of the fund before mentioned, following resources will, it is anticipated, have been received in London by the of February next, viz:

Cash balance of accrued profits handed over on completion of purchase.....	£46,
2,800 tons first-class ore now at railway station, in transit to London, to arrive during December and January, of the estimated net produce of.....	70
2,600 tons first-class ore from mine to London, expected to arrive during January and February, estimated to produce net.....	65
	181

equal to twelve months' dividend at 18 per cent. per annum.

Smelting at the mine.

After the above shipments it is proposed to ship bullion only, as it is intende smelt the ore at the mine, furnaces for that purpose—which it is estimated will cost more than £10,000—being about to be erected forthwith, and which it is e mated would be paid for by increase of profit in a very short time.

From the above arrangements and details will be seen the extraordinary chara of the property that will be acquired by the company, and in what a totally differ category the Emma Mine stands to almost every mine in which the public have b allowed to participate by subscription.

Professor Silliman's report.

The full technical details in reference to the mine are furnished in the report append to this prospectus, made by Professor B. Silliman, professor of general and appl chemistry, &c., of Yale College, United States, and well known for the highest abil as for the greatest integrity and independence of character in his profession.

In this report, to which particular attention is requested, Professor B. Sillim says:

"These several facts," viz, those furnished by him in detail as to the geological for ation of the vein and the character of the ores, &c., "in my opinion, establish, beyo all reasonable doubt, the conclusion that the Emma is a true mineral vein of gr power, and place it in the category of the great mines of the world."

Professor Blake's statement.

Professor Wm. P. Blake, in writing of this mine, says:

"The wonderful extent of this mass of ore, the rapidity and ease with which it extracted, and its high value, make this mine unique in the history of mining in United States, while it compares with the most brilliant and magnificent devel ments in the silver regions of Mexico and South America."

Present vendors join the board.

T. W. Park, esq., president of the National Bank, North Bennington, Vt., and Hon. William M. Stewart, United States Senator, both largely interested in the mi have consented to become directors, and so afford the company the opportunit using their large experience in mining generally, but especially with the working this mine.

Major-General Schenck has, on account of the exceptional character of the und taking, consented to act as one of the directors.

General manager and inspector.

Mr. Warren Hussey, the president of the National Bank at Utah, has expressed willingness to act as resident general manager and inspector of the mine; so that addition to the experienced staff, who all remain in the company's service, it will h the advantage of its interests being looked after by one favorably known for his ene and integrity.

Verification of proceeds of ore.

Messrs. Jay Cooke, McCulloch & Co., American bankers, have for some time r received the proceeds of the ore sold, and have transmitted the same through t firm to New York, and will testify to the accuracy of the amounts so received and mitted by them.

Accountants' corroboration.

Messrs. C. F. Kemp, Ford & Co., the well-known accountants, have been furnished v the original accounts rendered by Messrs. Lewis & Son and Messrs. Bath & Son, have verified therefrom the foregoing statement of ore sold by them, and may be refe to on the subject.

Consignees' testimony.

Messrs. Lewis & Son, of Liverpool, and Messrs. Bath & Son, of London, both of leading reputation as consignees of ore, will be ready to answer any inquiries relative to the ores, and the former firm also as regards the mine, one of their firm having been at the mine for some time.

Allotment.

In the allotment of the shares a prior consideration will be given to persons who desire to pay up their shares in full on allotment for investment.

The directors, however, reserve to themselves the largest amount of liberty in the selection of allottees, and of the number of shares to be allotted to each person, their desire being to place the shares in the hands of *bona-fide* investors.

Dividends payable on amount paid up.

The dividends as declared, commencing from 1st December next, are intended to be paid on the amount paid up on the shares.

Return of deposit if no allotment made.

In the event of no allotment being made, the amount paid as deposit will be returned in full forthwith without deduction.

Inspection of documents.

The contract for the purchase of the mine, &c.; Professor Silliman's report; the original account sales of ore; the patent-title deed, and the memorandum and articles of association may be seen at the offices of the solicitors, Messrs. Bischoff, Bompas & Bischoff, 4 Great Winchester Street Buildings, E. C., London.

Applications, how to be made.

Application for shares must be made in the accompanying form, and must be forwarded, together with the deposit of £2 per share, either to the bankers of the company, the London and Westminster Bank, 41 Lothbury, London, or to William Henry Tooke, esq., the secretary of the company, at the offices, 70 and 71 Palmerston Buildings, Old Broad street, E. C., London.

Prospectuses and forms—where obtainable.

Prospectuses and forms of application may be obtained of the company's brokers, Messrs. Huggins & Rowsell, of 1 Threadneedle street, E. C., London, or of Messrs. Coates & Hankey, of 24 Gresham street, E. C., London, or of the secretary at the offices of the company.

By order of the board.

GEORGE ANDERSON, *Chairman.*
W. H. TOOKE, *Secretary.*

London, 70 and 71 Palmerston Buildings, Old Broad street, E. C., 9th November, 1871.

Issue of 25,000 shares of £20 each, being the unappropriated capital of the Emma Silver-Mining Company, limited.

Form of application.

(To be retained by the bankers.) To the directors of the Emma Silver-Mining Company, limited, London:

GENTLEMEN: Having paid to your credit at the London and Westminster Bank the sum of £ (being £2 per share on shares of the Emma Silver-Mining Company, limited,) I request you to allot me that number of shares, and I hereby agree to accept the same, or any smaller number that may be allotted to me, and to pay the balance due thereon, according to the terms of the prospectus, dated 9th November, 1871.

Name in full, ——— ———.
Address, ——— ———.
Profession, if any, ——— ———.
Date, ——— ———.
Signature, ——— ———.

(Addition to be filled up if the applicant wishes to pay up in full on allotment:)

I desire to avail myself of the privilege to pay up the above shares in full on allotment, thereby entitling me to rank for dividends on the full £20 per share, and my application to be specially considered, in terms of prospectus.

Signature ——— ———.

Subscription for 25,000 shares of £20 each, being the unappropriated capital of Emma Silver-Mining Company, limited.

Notice is hereby given that the subscription-lists for the above will be closed Wednesday, the 15th, for London, and on Thursday, the 16th inst., for country ap cations.

(By order.) W. H. TOOKE, *Secretary*

70 *and* 71 *Palmerston Buildings, Old Broad street, E. C.*, 13*th November*, 1871.

WASHINGTON, *February* 29, 1876.

Senator MORTON appeared before the committee and made the fo lowing statement:

I saw a report of some testimony on the part of Mr. Lyon here yeste day, (which, however, I learn from him has been misrepresented,) and thought proper to come here and make a statement in justice to mysel Some five or six years ago, perhaps in 1871, at the adjournment of Co gress, I was on my way home with my family, and, I think, on tl Pennsylvania Railroad somewhere, Mr. Stewart, then a Senator fro Nevada, came and spoke to me in regard to a lawsuit then in the cour of Utah, proposing to employ me as counsel. He brought in a gentl man and introduced him to me; I presume it was Mr. Lyon, though would not remember him. Mr. Stewart told me that if I would acce a fee in the case, and we were successful, I would get a very large on I don't think he made any offer of any specific sum. I thought at tl time that the offer was for professional services, and of a character th I could accept. He wanted me to meet him in Salt Lake City, and think I told him that unless I changed my mind I would do it if l would notify me when he was there, or when he wanted me to be the Afterward, in thinking about it, I came to the conclusion, from son remark that Mr. Stewart dropped in regard to the court, that wh they wanted of me was political influence to remove the judge, rath than my professional services in the case, and I think I saw a stateme in a Salt Lake paper that an application had been made by Senat Morton and others for the removal of Judge McKean. Some ti afterward, I do not know how long, I received a letter or a dispat (Mr. Lyon thinks it was a dispatch) asking me to come to Salt Lake Cit and stating that arrangements were made there for my accommodatic I declined to go. I never had anything to do with it afterward, a Mr. Stewart never spoke to me afterward; and that was all there w of it, so far as I know. I will ask Mr. Lyon whether his recollection it corresponds with mine?

Mr. LYON. With one exception. The dispatch which was sent you was, "I go to California, few days. Come to Salt Lake immediate Case important. Lyon has been outrageously treated. He will do wl is right with you."

Senator MORTON. What was my answer?

Mr. LYON. Your answer was that you could not come. I don't member the language, but that was the substance of it.

Senator MORTON. Did you ever see me in Salt Lake City?

Mr. LYON. No, sir; I never saw you in Salt Lake City. The o time I ever met you was when you were on your way to Indianapol and I was on my way to Salt Lake with Senator Stewart.

Senator MORTON. Did I ever have any connection with that matt

Mr. LYON. None whatever. It was just as you have stated it, and I have stated it.

JAMES E. LYON then continued his statement as follows:

I stated that Albert Grant was to receive £100,000 for his services; which was to be confined to the one-half of the mine originally sold, as the vendors wished to retain the other half of the shares. Albert Grant was to receive (this is Mr. Park's statement to me) £2 per share on all the unsold shares, meaning the 25,000 that had been reserved by the vendors; when they were sold he was to receive £2 per share, and 5 per cent. commission on the gross amount of the sale. That was his further compensation when the matter was all closed up.

By the CHAIRMAN:

Q. Was that to be in addition to the £100,000?—A. Yes, sir; in addition to that. My calculation is that he was to receive about £180,000; and Mr. Grant's testimony, in England, as reported in the English papers, corroborates me within a few thousand pounds. Messrs. Jay Cooke, McCulloch & Co. received £25,000. I know that to have been paid. The testimony given on the other side corroborates my testimony, which was given in New York. Lewis & Sons, of Liverpool, metal-brokers, who had been receiving ores from time to time, received 250 shares of stock instead of the £8,000 that Mr. Stewart stated was to be given them; they took that in lieu of the money. The stock was to be deposited with Grant for either six or nine months, not to be sold. That was a compromise that he made with Mr. Park. Mr. Lewis told me that when the stock reached £30 per share or over, Grant telegraphed that he would give him £30 a share for it, and he sold it out and received £7,500 for that stock. As to the allotment to the English public, in that application General Schenck applied for 500 shares; how much was allotted to him on that application I did not know, but I have discovered by his testimony since that 300 shares was all he received.

By Mr. PACKER:

Q. When you say that General Schenck applied for it, do you know that, or do you mean that you have heard it?—A. I took his application to the London and Westminster Bank.

Q. But you stated yesterday that you did not know that the signature was his?—A. I do say that I do not know his signature.

Mr. HEWITT. General Schenck testifies that he did send an application for 500 shares and got 300.

By Mr. SPRINGER:

Q. Do you know that those 300 shares were allotted to him?—A. I only know from what I have seen as the report of General Schenck's testimony, that they were allotted to him.

Q. And you took an application to the bank purporting to be signed by him?—A. The application was signed "Robert C. Schenck," but I do not know his handwriting, as I said yesterday.

By Mr. FAULKNER:

Q. Was that 300 shares separate and distinct from the 500 previous?—A. Certainly, sir; independent of the first 500. It was a further application for 500 shares more.

By Mr. SPRINGER:

Q. Do you know what he paid for those 300 shares?—A. Yes; £3 a share, in addition to the par value. The first time they were sold for £20 a share; but on the second application they were sold at £25, as the market had advanced a little.

Q. Was this a bona-fide purchase, so far as you know, or was it do for the purpose of influencing the stock-market?—A. I only know fr the statement that Mr. Park made to me. I could only draw one inf ence from it; it was that he required me to take that check and go to t bank and get currency, and not to take the check to the London a Westminster Bank, as they could trace the transaction. He request me to go to the bank early in the morning and present that applicatio because it would have its influence on the subscribers all day. Th was the language of Mr. Park to me. It will be borne in mind that telegram had been received at that time, representing immense bodie of ore, signed by Professor Silliman, Mr. Hussey, and Mr. Willyams one of the directors.

By Mr. HAMILTON:

Q. You know Mr. Park's handwriting, or you would have known it a that time?—A. I think I would.

Q. Did that check and the application appear to be in the same hand writing?—A. I don't think I compared them at all.

Q. If the check and the application had been alike would you no have noticed it?—A. I did not think of such a thing at all; I neve gave it a thought; I never thought of anybody's forging it.

By the CHAIRMAN:

Q. Where did Professor Silliman live when he had these communica tions with the company?—A. He had gone out to Salt Lake City. Mr Willyams, one of the English directors, accompanied him. Mr. Stewar left the session of the Senate in the winter of 1872 and met them i New York City, and they all went out together, and this telegram wa sent from Salt Lake City. After Senator Stewart came away Mr. Will yams remained there, and when the telegram was sent on April 5, i was signed by Willyams, Silliman, and Hussey. That telegram create considerable of a sensation among even the unbelievers in the propert A telegram of that kind, stating that such large quantities of ore ha been discovered, was considered a very remarkable thing, and it create quite a sensation.

By Mr. SPRINGER:

Q. When was that made public in England?—A. On the morning the 6th of April, 1872, the day of the books being closed for that appl cation of 8,500 shares, according to my recollection. I saw that dispatc or a copy of it. Mr. Park showed it to me first, and afterward it wa shown to me by the teller of the London and Westminster Bank, M Butler.

Q. What was the value of the ore that this dispatch mentioned?— It stated, "8,000 tons discovered since last report. Sample assa $2,000 per ton."

Q. How much would that be worth?—A. $16,000,000. I had no mea of contradicting that; I did not know anything to the contrary.

The CHAIRMAN. Proceed with your statement.

The WITNESS. Do I understand that I am liberty to state what M Park said?

The CHAIRMAN. You are not restricted. You may state all that y know in regard to this transaction.

The WITNESS. I had no doubt at any time but Mr. Park believed th I knew that General Schenck had received this £10,000. In a conve sation between Mr. Park and myself, he said, "It is pretty hard for t general to live on"—$17,000, I think, was the sum he mentioned—"it

very expensive;" and he said that the general had recently been buying dresses for his family, that cost $700 apiece, to go to the Queen's drawing-room—dresses that could only be worn once; that it was very expensive and his salary was very inadequate, and he did not blame him for wanting to make a little something. At another time Mr. Park was going off to have a little game with the general. I said to him, "It is too bad to go and play with the general and win back the money he has made out of the mine." Mr. Park laughed and said, "The general, Lyon, is a first-rate poker-player; he ain't liable to lose much." Instead of saying that he had not got anything out of it, he replied in that way; which was convincing to my mind that Mr. Park knew what I knew about it. Mr. Stewart told me that Albert Grant, when he insisted that Mr. Puleston's name as a director should be with his title as partner of Jay Cooke, McCulloch & Co., also insisted that General Schenck should be a director of the board. There was considerable discussion before the arrangement was finally made. Mr. Stewart said that Grant said he would not take hold of it unless the minister would lend his name and become a director; and Mr. Park told me he had given Senator Stewart 2,000 shares of this stock to become a director himself and to assist in getting General Schenck's name on the board. He said that Mr. Stewart was very intimately acquainted with General Schenck, and he was not, and that it was through Stewart's influence that General Schenck was induced to join the board. Mr. Park told me that Fisher, the Vermont man I spoke of yesterday, an intimate friend of Park's, and also, apparently, a friend of General Schenck's, owed General Schenck about £3,000 for some services that the general had rendered in relation to a land-grant. I think the land-grant was disposed of in Holland, and that Mr. Fisher had received the money and had not divided with the general, but had used up the entire fund; and Mr. Park was requested by General Schenck to give Mr. Fisher some opportunity of making something in this Emma Mine business whereby he might get some means of returning the money to the general. Park said that the general told him that he would find Fisher a very valuable man—that *he* had found him such. Park said that he *had* found Fisher a very valuable man. Said he, "What do you think I paid the Mining Journal for two articles, recently published, puffing this mine?" I guessed something. Said he, "Fisher made the bargain, and he got it done for £500, and gave them a call on 250 shares of the stock at £50 per share." Park thought it was very cheap, and that Fisher had written the articles. I was satisfied before that Fisher had done so, because I had heard a conversation to that effect in relation to the first article, and, in regard to the second article, Park told Fisher that Albert Grant was going to write an article for the next issue of the paper, and Fisher begged the privilege of writing it himself. "It will do me a good deal of good to write it myself." Park consented, and the article appeared. I have copies of the articles here, if the committee wish to see them. They are of a most extraordinary character.

Mr. FAULKNER. You can file them with your testimony.

By Mr. MONROE:

Q. You have quoted a number of statements from Mr. Park in regard to General Schenck; did you have confidence in Mr. Park's truthfulness when he made statements to you?—A. I certainly would have in that respect, at that time and on that subject.

Q. How did you learn to distinguish between his statements in which

you would have confidence and those in which you would not?—There were circumstances connected with this that I judged from.

Q. From some things that you have said about Mr. Park, it occurs me that it might require a rather nice discrimination.—A. Wha have said about Mr. Park is what Mr. Stewart told me about him. T day before he left London, Mr. Stewart told me that he never was mistaken in a man in his life, that he thought he was a very elegt gentleman, a good business man, and a very honest man; and Mr. Pa stated to me that he did not know William M. Stewart until he h this transaction with him, but, said he, "Lyon, he is a very honest ma I tried to buy him. I offered him $50,000 if he would throw you your suit."

The CHAIRMAN. Proceed with your statement.

The WITNESS. Puleston's £10,000 claim was finally arbitrated. E proposed to have Albert Grant settle the amount. Mr. Park declin to arbitrate with Grant for two or three days, and then reluctantly co sented, and Mr. Grant decided in favor of Park. I recollect the la guage he used in the arbitration-paper, for Park and I laughed consi erably about it. He says, "In consequence of the moral responsibilit of the firm of Jay Cooke, McCulloch & Co., receiving £25,000, Mr. Pul ston should not have anything further. That finally settled the que tion. On one occasion, while Mr. Davis's lawsuit against Mr. Park w pending, Park said to me, "By the way, Lyon, General Schenck is a firs rate lawyer; he has been examining my papers in relation to Davis, an he has discovered a point in my favor in those papers, and a very in portant one, which I had overlooked. We have heard that Sir Rou dell Palmer is to be the barrister for Davis in this matter, which is t come up in a few days before Vice-Chancellor Mellen. I have got Gener Schenck to go down to see Sir Roundell Palmer, and he is to tell hi that he knows Park and Baxter, the defendants, very well indeed; th they are gentlemen of high character and reputation, that they are ve wealthy, and that there is no occasion for bringing a suit against the in an English court to recover; but that Mr. Davis is a bankru perfectly irresponsible, and of bad repute, bad credit; and tha said Park, "will stop Sir Roundell Palmer from attending to the su and I think it will reach the ears of Vice-Chancellor Mellen, and I gue Davis won't have much chance," or something to that effect. I we to the court to see if that kind of thing would work. I wanted to s if Sir Roundell Palmer would give any attention to a thing of th kind; so I went to the court and he did not appear. I give this a statement made by Mr. Park to me. Whether Sir Roundell Palm ever heard of it or not I don't know, but at all events he was r there. In January, 1872, these shares were depreciating very ra dly on the Stock Exchange, and in January or February, 1872, th did reach as low as £14 a share. It was the first time they h reached that point from the time when they went to subscription to t public, in November previous. Mr. Park said he had made an offer all the members of the board of direction to pay their expenses to vi Salt Lake and examine the mine in person, but he said he knew th would not go. But he had found one of them that would go; he sa he judged from a remark that Mrs. Willyams had made to him, tha ing him for his kindness to Mr. Willyams on some occasion, that W lyams was his man. That was Mr. E. Brydges-Willyams, a member Parliament, and Park told me that he had made a bargain with him go out there and report upon the mine. He was to pay him £5,000 advance, (I saw the check, indorsed by Willyams, when it was return

from the bank,) and to give him a call on 3,000 shares of stock at par value, £20 per share. Three reports were made out and lying on the table, numbered 1, 2, and 3. Three cipher-messages were made out to match them. I cannot give you the exact language; they were not all read to me, but I give you the substance.

Mr. HEWITT. You mean that the contents of each one were not read to you?

The WITNESS. They were not read to me, but Mr. Park told me the substance of them. The first one was, in substance, that the mine was about as when Professor Silliman examined it on the 16th of October, 1871. There was a cipher-dispatch to match that report. The second was, that the mine was very much better, enumerating very many particulars; there was a dispatch to match that; the third was a very extraordinary one. Those dispatches were to be returned to Europe by telegraph, whichever one should be selected to send. Mr. Park had prepared the way for Mr. Baxter to take care of Mr. Willyams when he arrived in New York, not to let him go among strangers, or their "enemies," to keep him away from the hotels, and take him to his house; and he was to meet in New York Mr. Stewart, from Washington, and also Professor Silliman, and they were to go out together to the mine, and, when they arrived at Salt Lake City, Warren Hussey, who was a large owner in the mine at that time, was instructed to "take care" of Willyams there, to take him to his own house, and take him up to the mine immediately the next day, and have that report sent forward by telegraph. Park advised me to buy some stock. He had no doubt of getting the best dispatch. Said he, "Lyon, I do not very often make a mistake in my man." I thought he didn't. Mr. Willyams sent one or two telegrams from Salt Lake to buy 500 shares for him. I asked Park if he was going to buy the stock, and he said no; he guessed he would let him have some that he had. Those dispatches were shown on the street. Park told me he had shown them.

Q. Which dispatch was sent?

A. O, the best dispatch, I think; that is my understanding. I did not see the dispatch when it came, but I heard an extraordinary report made at the general meeting immediately afterward, referring to the cipher dispatches. Mr. Park undertook at that meeting to explain the meaning of the different words in the cipher. I was some little distance off, and could not hear everything that was said; but it was a very extraordinary report, as Mr. Willyams made a remark on that occasion that there was money enough in sight to pay dividends for their children's children, long after all of us were dead and gone. That report was made in a public meeting of three or four hundred subscribers. To pay the dividends on this stock, £46,300 were originally paid into the treasury from the subscription-fund. It will be noticed that the prospectus states that £46,300 of the profits of the New York Emma Mining Company were to be turned over to the English company as a part of the property that they were buying for the $5,000,000, as well as a quantity of ore that was lying at Salt Lake City. I asked Park, "Why say £46,200? Why don't you say £50,000?" He said that if he had named £50,000 they would have suspected, but an odd number like £46,300 would not attract attention. That was a satisfactory explanation to me. Then, as will be seen by the prospectus, there were 2,800 tons of ore lying at the depot ready for shipment, valued at about £70,000. When they came to ship that quantity of ore it was not there. Baxter sent forward to London, as Park told me, an account-sales of 1,000 tons sold in Utah for cash; £28,000 was the value of it. That

£28,000 was paid into the treasury by the vendors. The Englishn complained considerably about that. Mr. Anderson, the chairm said he thought it would not make any difference as long they paid it back. The shareholders disputed that, because it v represented that that quantity of ore was on hand when it was i on hand; they thought they were deceived into the purchase. It v finally conceded by Park and others that the ore did not exist; tl it was "short." I said to Mr. Stewart, "You have tied these sha all up for nine months; how do you intend to satisfy the Engli shareholders, when you know there is no ore in this mine to ta out this winter?" "O," said he, "we can do that easily enoug It is a very snowy country out there, and we can tell them it storms much in winter that there is no necessity for taking out any ore in wi ter, because we can take out as much in the summer as we can haul He thought that Park would sell out the whole of this stock befo the dividends were exhausted; that there was money enough in tl treasury to pay the dividends, and, in the mean time, they could di pose of all this stock. They soon began selling the balance of th stock. I became satisfied then that it was not tied up with Albe Grant for nine months. I thought so from the circumstance of the selling to the public. When Mr. Stewart made a contract in New Yo for the purchase of the interest of the vendors (partners of Park's) seemed to have been anticipated by Park that the ore would not hol out, as he provided in the contract that the vendors should pay the proportion of whatever it should fall short of that quantity of o when it was closed up. This contract that was signed in New Yo by the vendors was also signed by Henry H. Baxter, Park's partne The substance of it was agreeing to sell or give Park an option o all their interest in this stock at $50 per share, United States cu rency. At that time the market was about £22 per share on tl Stock Exchange in England. They agreed to give Park an optic for twelve months, he accounting to them either once every fiftee days or every thirty days for all the sales that should be mad and to remit to them from time to time. Mr. Stewart also appears the for the first time, signing his name for 5,000 shares of this stock. T paper says, "We, the undersigned, shareholders in the Emma Mini Company of New York;" and William M. Stewart signs that as the own of 5,000 shares of the stock of the Emma Mining Company of New Yo agreeing by that contract to sell out to Park at $50 a share; Baxter al agreeing to sell out his at $50 a share. I learned afterwards that th did not sell any of their stock at $50; that their names were there induce subscribers to go in so that they would be all joined togeth Then they further discounted these people $10 more a share, and pa them only $40. This contract was made on the 19th of December, 18 in the city of New York, William M. Stewart being one of the subscribe agreeing to sell or to give Mr. Park the option of his stock at $5 share. The contract was published in London. Mr. Davis had a copy it. He gave it to a party and that party copied it and published it. M Park replied on the 22d of December. That was the day the contr appeared to the English public, or the next day after, and they w considerably excited over it, as the stock had been bought on the 9 of December at $50 United States currency, when the current price it on the London Stock Exchange was £22. The publication of the c tract created quite a sensation, and Mr. Park replied hurriedly, as f lows:

No. 40 ALBEMARLE STREET, LONDON, *April* 22, 1872.

To the shareholders of the Emma Silver-Mining Company, Limited:

SIR: A circular has been issued by a person signing himself Hiram A. Johnson, in which he incloses what he alleges is a copy of a contract made between the owners of shares in the Emma Mining Company, New York. It is claimed to be proved by this contract that the American owners place a less value on the shares than they are offered at to the British public. If the disinterested individual who issues this circular had gone a little further back, he could have found the Emma Mine had been sold by the owners at a rate less than £1 per share. The price paid for a mine at a day past furnishes no evidence of present value, as has been demonstrated in the case of this mine. In the autumn of 1870 an interest in the mine was sold at the rate of £36,000 for the whole mine, and within a few months thereafter a sale was made at the rate of £112,000, and a short time after that at the rate of £150,000, then again at £300,000, and during the time more cash was realized from the mine than would pay back the entire purchase-money.

In this case the contract issued with the circular was made in settlement of previous contracts between the parties, and in the settlement of a contract made with a claimant for the mine, and given in settlement of such claim. I have given my entire time to the business of the mine since April, 1871; have attended to the litigation, which I ultimately settled, and procured a patent; and I advanced in the settlement of the contract with said party the sum of $150,000, and advanced other large sums, all of which facts, as well as the guarantee of the title, were taken into consideration in making the contract in December last. I have never disguised the fact that I made large gains out of this property, and I think I am well entitled to them. I parted with my money when the title to the mine was in great doubt, and before the mine was sufficiently developed to even form an opinion of its value. I succeeded in perfecting the title at large expense, and in selling to the London company gave my personal guarantee of title.

In December last, in consideration of other contracts theretofore existing of large advances made by me to settle outstanding claims against the company, and of other large advances, and of the services I had rendered, and was to render, a contract was made between most of the owners and myself. This contract does not in the least indicate what the parties to it thought of the value of the property. In December, when the contract was made, (the original of which I have never seen,) the shares were selling freely at above par, and it would be difficult to conceive that owners of shares not connected with any other contract would give a party a year in which to purchase them at £10 per share; the simple proposition is too absurd to deceive an intelligent shareholder. A contract made between the New York company and one of the litigants, in August, 1871, by which he surrendered his claim (which was formidable) to the mine and aided in making a perfect title, for which he was to receive only one-eighth of what the mine sold for beyond $1,500,000, would more nearly show the true estimate the owners placed on the value of the property, as this latter contract was not connected with any other matter.

Both General Baxter and Mr. Stewart are large owners in the shares, not subject to any contract with me or any one else, which they intend to hold permanently; no one has a higher appreciation of the property than they have. Private contracts between parties, which do not show the true consideration for making them, can be of but little interest to shareholders, and furnish no evidence of what the parties thought of the property. The great and only question that interests the shareholders is, what is the value of the mine? I can only say, in conclusion, that if I have made a profitable contract, it is my good fortune, and does not concern any one else so long as all statements made by me with reference to the mine are fully proved. Neither does my private business or the contracts between the owners interest any one outside of themselves, and I do not feel called upon to discuss such private matters with any one whose object is to depreciate the shares for his own profit. I have entire faith in the mine, which has been strengthened by every report from every source since I saw it in July last; and (having disposed of the vendor's shares, which I was required to sell by the terms of my contracts) I am personally a large holder of shares, all purchased at a higher price than I sold for, and intend to continue so permanently. I have not money sufficient to purchase the entire shares of the company, but I hereby offer to give £1 per share for the privilege of calling shares within six months at £40 per share, and leave this offer open to responsible parties to any number of shares, and until I leave for America, which will not be before the 10th of May. Any person wishing to avail himself of this offer may communicate with me at the company's offices.

Yours, respectfully,

T. W. PARK.

This reply was addressed to the shareholders of the Emma Mining Company. It was put in printed-circular form and sent to the share-

holders and afterward published in the Mining Journal in England. Mr. Park visited the mine some time in the month of July, 1872. At that time the mine had caved in.

By Mr. MONROE:

Q. Literally or figuratively?—A. It had actually caved in; the timbers and *débris* of every kind had fallen in; the whole thing had almost completely collapsed, and it has never been repaired since. It was on the 4th of June, 1872, that the mine caved. I had my telegrams at that time every day from Salt Lake. I think it was on the 1st of June I received the first one; it was on the 17th or 18th that the first one was received by the company. They could not get telegrams from the mine or any report there, and the directors were saying that the telegrams that I published were false; that nothing of the kind had ever occurred in the mine; and they charged me in the circular with publishing sensational dispatches without any knowledge or authority. They charged that they were manufactured, and the chairman said to me that he believed that I had subsidized the cables; and when I laid the dispatches before him he said they were forged. Well, Mr. Anderson had considerable reason to believe that there was something in it that he could not explain, and I could pardon him for talking in that way. I told Mr. Anderson that Hussey, of Salt Lake, was instructed to communicate with Trenor W. Park. Hussey was the manager of the mine at that time. The shares were declining in value. Said I, "Mr. Park is now in New York, and it is very singular that you cannot get any reports." Said he, "We cannot get any; we send messages every day but we do not get any reply." About the 17th the directors came out and confessed that my telegrams were the first information that they had received of the caving of the mine, and they said, "We cannot account for our not receiving our advices." Hussey afterward explained that he was directed to communicate with Mr. Park only, and he did not suppose he was to communicate with the English shareholders. Park had at that time 6,000 shares of the stock that was not sold. He had given Brydges-Willyams a call on 3,000 shares of it, and who was interested in the other 3,000 I never knew. I have always had my suspicions, but I never knew. But he carried away 6,000 and put them in the name of Gager, of New York, a very intimate friend of Parks, who attended to his business, and finally sold those shares. After examining the mine after the caving, Park, writing from Bennington, on the 24th of July, 1872, wrote as follows:

> As to the mine, I can say it never appeared as well as now, and while I expected to see a very large body of ore in sight, it went vastly beyond my expectations, and no one can be found who has visited the mine, friend or enemy, but will say the same. No representations have been made, nor any report, but falls far short of the truth. If every shareholder could see the mine, the shares would be selling at £75 or £100, instead of £20.

As I stated before, this mine was attacked by the Illinois Tunnel Company, a company organized in Utah. That company claimed to own the grants, as I explained yesterday, running in a northwestern direction, where the Emma Mine people were taking out the ore, as they had no ore on the line of their patent, not a pound. They were taking ore out in a northwest direction, and the Illinois Company claimed to own the grant, and they run a tunnel under the mountain, calculating to strike about the middle. Their claim between the Bruner Company and the Emma Mine would be 366 feet, and on that ground the Emma Mine people were working. The Illinois Company ran in their tunnel t

intersect, and there they had a collision. The Emma Mining Company then got into litigation with the Illinois Company in the Utah courts, Judge McKean presiding. I had anticipated this a long time before, and had so stated in England to the English shareholders, because I had seen that it was evidently coming. Mr. Park showed me a letter which he had received from Silas Williams, the man then superintending the mine; he read to me from the letter something like this: "I can drive my drift from the Emma Company toward the Illinois Company's quicker, if you wish me to, but I think I would not hurry, because there will be a collision when we arrive at that point, and I did not want to do it until you had sold out your shares." Mr. Williams was evidently holding back, but the Illinois Company were pushing. In this litigation, Park had employed Senator Stewart and Curtis J. Hillyer as his attorneys. One of the principal attorneys for the Illinois Company was E. S. Joslyn, of Elgin, Illinois. He was the attorney for Park when Park was litigating this claim with me. Mr. Joslyn was the attorney for Robert B. Chisholm, one of the original owners with me in the mine. He brought him from Elgin out there to attend to the litigation. Mr. Joslyn was a very prominent man in the fight; he occupied no small position. In his statement to the court, Joslyn charged that Mr. Williams was ordered by Park in January to ingraft ore on the walls of the mine, to prepare it for the advent of the English director coming out to Salt Lake to examine it.

Mr. BARNUM. What do you mean by ingrafting ore on the walls of the mine?

The WITNESS. Well, I do not think that could be done, but I have known miners, in taking ore out of the mine, to leave some on the walls to make it look well. I have seen them, when running tunnels and drifts in a mine, leave 6 or 8 inches of ore along on the walls—not taking it off. They could not very well ingraft ore on the walls so as to deceive anybody, but they could produce the effect by leaving it on the walls. Messrs. Park and Anderson visited Salt Lake in the fall of 1870. At that time the company were getting short of money to pay dividends. Park had been receiving the money during the summer previous, as they had not shipped their ore to Europe as formerly, because they were low-grade ores, and they were advised by Hussey not to send them to England, but to sell them at Salt Lake. Park was evidently keeping the accounts of the company in New York. While they were out there examining the mine, Mr. Anderson, the chairman of the company, writes to the English shareholders: "Large bodies of ore in sight; if the shareholders were here they could see enough in the mine to recoup them for the entire cost of the property, one million sterling." That was in the fall of 1872, the mine having caved on the 4th of June, 1872. At this time Park had about 6,000 shares of the stock to sell, as he states in a published letter. There was no money, Anderson says, to pay dividends. Park furnishes the money; he cables over £15,000 to pay one month's dividends, and afterward he cables over £15,000 more. Mr. Anderson was asked why they would take money from Park to pay dividends, when the by-laws of the company provided that no dividends or interim dividends should be paid, excepting out of the net earnings of the property. Mr. Anderson said that Park was in Salt Lake City and had not his books there, and could not tell just how much money they had on hand with him in New York City, but he was satisfied that they had enough; at all events he would cable it over; he was satisfied that the account was all right. So he did cable over this money, and that of course was the last dividend to be paid. The stock had reached as high as £26 10*s.*, and before

it had an opportunity to drop, Park sold out his 6,000 shares at ab £26 per share. On these various statements of the quantities of ore the mine, the stock rallied up to that price, and that was the last di dend paid; it was the January dividend.

Mr. BARNUM. How much did the thirteen dividends amount to in a

The WITNESS. They amounted to £195,000, including the £30,0 that Park paid last. There was nearly $1,000,000 in dividends al gether. That was paid out of this £46,300, and the £70,000 worth ore that was on hand when they sold the mine, and what the compa got out of it. I think the company received between forty and fi thousand pounds out of the mine.

Now Mr. Park attaches the company for this debt of £30,000. By t way, previous to attaching this property, to settle all questions abo title (because it would be necessary to have done that in order to ha stimulated the price of those shares) Mr. Park and Mr. Anderson co promised with the Illinois Tunnel Company, and paid them, or pro ised to pay them, £18,000 to perfect the title of the Emma Mine Co pany. Mr. Park attached the property at Salt Lake for this £30,0 and, as I have seen by the report of the chairman in London, Mr. Pa sold the property for $9,000.

Mr. BARNUM. Sold out the Emma mining property entirely?

The WITNESS. Yes.

Mr. PACKER. How do you mean that he sold it?

The WITNESS. Under attachment, for his debt of £30,000—by ju cial process. I don't recollect who bought it.

Mr. SPRINGER. Did that include anything besides the mine?

The WITNESS. Yes; I saw that chairs, tables, and little items of th sort were included in the statement.

Mr. SPRINGER. Did it include the interest they had purchased fr the Illinois Company?

The WITNESS. Yes; it included everything, as I understood. T Emma Mining Company absorbed that interest by buying it for £18,0

Mr. PACKER. Were you at that sale?

The WITNESS. No, sir; I have said that I got this information fr the statement of the chairman made in London.

Mr. PACKER. When was that sale?

The WITNESS. Quite recently; within a month or two. The ch man said it was all very well, because that fixed the value of the mi

That is all I have to say, gentlemen. If you have any questions ask me, I shall be glad to answer them as well as I can.

Mr. BARNUM. How much did you finally get for your interest?

The WITNESS. I sold that contract to Mr. Stewart for $150,000.

Mr. PACKER. Did you get that $150,000?

The WITNESS. I got it all by January, 1872.

Testimony of James E. Lyon—Continued.

WASHINGTON, D. C., *March* 1, 1876

JAMES E. LYON recalled.

By the CHAIRMAN:

Question. Mr. Lyon, are you prepared to go on with your testim this morning?—Answer. Yes, sir, I believe so.

Q. Have you anything more to state to the committee?—A. First I will show the committee these photograph-letters of Mr. Stewart's, of which I presented the printed copies. The first one is dated October 5. These are photographic copies of the originals.

By Mr. WILLIAMS:

Q. Are you now acquainted with his handwriting?—A. Yes, sir, very well acquainted with Mr. Stewart's handwriting.

Q. You pronounce this to be his?—A. Yes, sir.

By Mr. FAULKNER:

Q. Will you file this with your testimony?—A. Yes, sir, I will. My handwriting is at the top; it is a mere memorandum I made in filing them.

By Mr. SPRINGER:

Q. There are three letters. These were the three that were printed?—A. Yes, sir. These were photographed by the attorneys for the Emma Mine Company, in New York, to be used in the litigation in New York City now pending against the vendors of the mine, by the Emma Mining Company in London. Instead of giving the original copies that I called for, and which I was to have, they told me they could not find them. I suppose they are filed with the court. They looked for them, but were not able to find them, and gave me these three, and said they would answer all purposes.

Q. I understand you to say that you have some further statements to make.—A. Yes, sir. I will read you now the superintendent's official report of the Emma Mine, handed to the company some time last fall. I have a copy of this portion of it. It is dated October 23, 1875, and is the official report to the Emma Mining Company of London:

The present condition of the mine is a most deplorable one; the water having risen within 50 feet of level No. 1, and remaining there a greater part of the summer; it has now receded to about 20 feet above level No. 4. The result is that the timbers have given way in all directions, and even the engine-shaft cannot be considered safe to work in.

I may say, in conclusion, that my first report on your mine was made in March, 1873, and was an unfavorable one; that my second report was made in May, 1873, and was even more so; and that my third report, made in April, 1874, was equally unfavorable. Since the last was written I have had sixteen months' further time to examine into the geology and stratigraphical features of Emma Hill, in regard to the future prospects of your mine; and from my numerous careful observations on the subject, I can only reiterate what I have stated in previous reports: that is, that your mine is virtually exhausted, and that your only hope for the future rests entirely on solving a geological problem; which problem will take time, a large sum of money, and skillful engineering to solve.

I am, gentlemen, your obedient servant,

GEORGE ATWOOD,
F. G. S., F. C. S., &c.

By the CHAIRMAN:

Q. Is he an Englishman?—A. He is; yes, sir.

By Mr. FAULKNER:

Q. To whom was that report made?—A. To the directors and shareholders of the Emma Mining Company of London; he was the engineer in their employ.

By the CHAIRMAN:

Q. Have you heard the reputation of that engineer spoken of?—A. Yes, sir, I have heard him spoken of often.

Q. As a man of standing and science?—A. Yes, sir; I understood got $8,000 a year in gold to go there. It was a large salary, and th would not have paid it to an inferior man. I never heard anythi said of him but that he was a man of science; always heard him spok of very highly.

By Mr. SPRINGER:

Q. How long was he making this investigation?—A. He was ther I think, with this company about two years.

By the CHAIRMAN:

Q. You have concluded your general statement in regard to this tran action?—A. Yes, sir. I produce an exact copy of the telegram sent t Mr. Morton:

O. P. MORTON, *Indianapolis, Ind.:*

Go to California for a few days. Come here as soon as convenient. Lyon will d what is right. The case is important. He has been treated outrageously.

WILLIAM M. STEWART.

By Mr. MONROE:

Q. Will you state the substance of Mr. Morton's reply to that?—A I only give my impression. It is that Senator Morton was ill, and have in my mind an indistinct recollection that we had a telegra from some other party at Indianapolis, saying that he had gone Washington. I well recollect that soon after we met him I wrote to hi in Washington or at Long Branch.

By Mr. SPRINGER:

Q. What did he mean by that expression, "Lyon will do what right?"

By Mr. PACKER:

Q. Did you know anything about it beyond what is in the dispat itself?—A. It means the payment of his services—"what is right."

By Mr. SPRINGER:

Q. You were to pay for his services?—A. Yes, sir.

Q. You were to pay $20,000?—A. Yes, sir.

Q. You never paid him anything?—A. No, sir; he did not do an thing with it whatever.

By Mr. MONROE:

Q. Did Governor Morton ever express a readiness to accept $20,000? A. He did not decline at that time. No, sir.

By Mr. SPRINGER:

Q. You speak of a telegram published in the London papers fro Washington. I will ask you if this telegram which is published in th correspondence furnished by the State Department to this committe under the head of "A telegram from Mr. Schenck to Mr. Fish," is th dispatch to which you referred as having seen published in London?

FISH, *Secretary of State, Washington:*

This telegram published in Times this morning—

"PHILADELPHIA, *December* 19.

"The Senate to-day adopted a resolution directing an inquiry to be made to asc

tain whether any foreign minister of the United States is publicly connected with any speculation-transactions, or has given his name in their furtherance"—
is aimed, I presume, at me. Please inform me. Am not afraid of investigation.
SCHENCK, *London.*

Received at 1.20 p. m., December 20, 1871.

A. I cannot bring to my mind the recollection of the exact wording of this. But the resolution that was offered in the Senate on the 19th of December with reference to it I recollect well. I do not recollect whether it came by telegraph or whether I did not see it until it came by letter. But I recollect the resolution; I had a copy of it, but I have not got it with me. It was not exactly like that; I do not recollect that last part of it, about General Schenck not being afraid of investigation. I have no doubt I saw it. It is my recollection that I saw the whole resolution.

Q. What was it that Park said about this telegram and what he had done in reference to it?—A. On the first occasion of my meeting Mr. Park after seeing this—Mr. Park had seen it before I saw him—we had some conversation on the subject, and he said, "I have fixed that thing." I asked him how he had fixed it, and he said he had had General Schenck give him his note for that stock, and write him a letter saying that if the note and stock were not sufficient security, he would give him a mortgage on his house and lot in Washington.

By Mr. HAMILTON:

Q. Did Park say he had got General Schenck—that is, requested him or directed him—to write this letter, and how to write it; did he say, "I have got General Schenck also to write me a letter stating that he would," &c.?—A. We are speaking now about another matter and not a letter.

Q. Your statement was that Mr. Park said, "I have fixed this; General Schenck will give me his note, and I have got him to write a letter stating that he will mortgage his property in Washington."—A. Yes, sir.

Q. Did Park make use of such language as that so as to leave the impression that he had told General Schenck how he could get this matter all fixed up?—A. That is my understanding of it, sir.

By Mr. MONROE:

Q. Did he convey this idea to you, that the talk about the mortgage upon property in Washington was delusive, that there was no real mortgage upon the property; was it the intimation that there was no real mortgage given, but that there was only talk of it and a message sent that such a mortgage was to be given?—A. I could not say any further as to that than that General Schenck had written that letter and would give him the mortgage if it was necessary. Of course my own ideas and inference from all that was that no mortgage would be drawn; I could not take any other inference from it.

Q. I got the idea that you thought that he meant to convey the impression by his manner, because manner is a part of conversation sometimes.

By Mr. HAMILTON:

Q. My idea was to ascertain whether or not the matter was fixed up by Park himself.—A. That was my understanding of the matter, that he told the general how to do all this. Park told him, "I have fixed that matter with the general. I have had him give me his note for this stock and then write me a letter at the same time that if the note and

stock are not sufficient security, I will give him a mortgage on n house and lot in Washington."

Q. What was the date of your arrival in London?—A. The 20th November.

Q. Can you state the time when this conversation took place in regai to Schenck's arrangements?—A. I can identify the time only with re erence to the time when the resolution of Mr. Blair, which was intr duced in the United States Senate, arrived in London, when I first g the information. Without knowing anything about any dispatch bei in London on the 19th, I should have said it was the first of Janua or about that time.

By Mr. FAULKNER:

Q. Have you any information derived from Park, or otherwise, th this was not treated between himself and Schenck as a debt, prior the time when this dispatch reached London, but assumed the chara ter of a debt after that dispatch reached London?—A. I had no reas to believe otherwise than that Mr. Park knew that $50,000 had be charged to me by Mr. Stewart. I certainly had every reason to belie that from the relations between Mr. Stewart and Mr. Park, and fro the fact that Stewart settled with me and charged it. I think I h the right to believe that Park knew it; at all events, I acted up that belief. When this dispatch came there it was discussed by a gre many people. I thought it would alarm Mr. Park considerably, and was naturally a subject of conversation when we first met. When M Park made that statement to me and I asked him if he had sworn to he laughed—smiled—and said, "No, I have only certified to it and se it to Mr. Stewart, at Washington, to do the same thing, and that w dry up Blair's resolution." That is about all I can say in reference that matter; I believed that Mr. Park knew, from his manner and sty in smiling, when I asked him if he had sworn to it.

By Mr. HAMILTON:

Q. Did you not further testify that in a conversation with anott party, (Mr. Davis, I think,) you saw a statement taken from Par table in regard to this matter?—A. Yes, sir.

By Mr. HEWITT:

Q. Is it not possible that Mr. Park, knowing that Mr. Stewart h charged you with £10,000 given to the American minister, was qu willing to give this color to the transaction, namely: that it had be given to Mr. Schenck, when in reality Mr. Schenck was to pay for In other words, that it was a fraud as toward you, upon the part Messrs. Park and Stewart, and not as between General Schenck and M Park. Would not that be possible?—A. I might put that construct to it if I could not think of another thing—that they would natura try other ways to get £10,000, rather than to give the stock to the Am ican minister, or to anybody else.

Q. According to your own testimony, they have been doing this w nearly everybody with whom they have had transactions.—A. Exact but there were no more items given to me to make up this amount money.

Q. But there were several items where money was really not pa but they alleged to you that it was. You doubtlessly recall su instances. Could not this be a case like those? Have you any rea to suppose that it was not such a case?—A. I cannot say what mig

ıave been. But I must only judge from all the circumstances and all hat has occurred.

Q. But nothing ever passed between you and General Schenck, or etween you and anybody else, which would give color to the idea that chenck did not pay? It was between you and Park and Stewart that ıose transactions were opened?—A. No, sir; between me and Mr. Da-s.

By Mr. SPRINGER:

Q. Was the public conduct of Mr. Schenck in reference to the Emma ine, from the beginning until the time of this conversation, consistent ith the theory that he had received $50,000 in stock as a bonus for the e of his name?—A. Up to the writing of that letter, dated December I certainly think that General Schenck was very much interested in e welfare of this company. I do not know of any move that General henck made after that time; I cannot remember anything that he d.

By Mr. HEWITT:

Q. Would you not infer that a man was interested, assuming that he d in good faith paid £10,000?—A. Yes, sir; I think he would be.

Q. We have the fact before us in the correspondence that on the 27th y of November General Schenck telegraphed to the State Depart-ent to the following effect:

Have no pecuniary interest except some shares, for which, after investigation fully aid dollar for dollar.

That, remember, is on the 27th day of November. He then makes at assertion, and the American minister, as you know, has since tes-ied to the same effect under oath.—A. I will reply to you a little fur-er upon that point. It has just occurred to my mind that considerable rrespondence had taken place between one of the subscribers of the nma Mine stock and General Schenck. Two or three letters had ssed back and forth between them. Then he wrote another letter to e general, and he would not reply to it. I think he wrote the second ıe and no reply. He told me of it.

Q. Who told you?—A. This gentleman; a stockholder.

By Mr. HAMILTON:

Q. Did you see the letters?—A. Yes, sir; I saw the letters.

By Mr. PACKER:

Q. Do you know that they were sent to General Schenck?—A. I be-eve they were. I saw a reply to the last one.

By Mr. HAMILTON:

Q. What was that reply?—A. The substance of it was that if he had ıt such information as he said he had he would give him an interview. ıan tell you the substance of the interview, as related to me by the neral on his return, if necessary. It will be one other link to show u why I believe it was not a *bona-fide* transaction.

By Mr. SPRINGER:

Q. Who was the man?—A. S. T. Paffard.

Q. He was a stockholder?—A. He was a stockholder.

Q. What kind of character had he?—A. The best kind of character; ıever heard anything against his reputation. He has been some elve or fifteen years connected with a railroad there—a prominent cer of it.

Q. Was he a subscriber to the stock of the Emma Mine?—A. A original subscriber.

Q. How much of it did he own?—A. I do not know how much h owned and I never knew.

Q. Was he a subscriber in good faith?—A. O, yes, sir; an origina subscriber.

Q. Have you the letters between this gentleman and General Schenck A. I have, sir.

Q. Can you identify them as the correspondence that took place?- A. No, sir; I cannot do that.

Q. I did not know but that you might identify the letters of Genera Schenck.—A. No, sir; I cannot identify the letters at all, I can only state to you that I supposed of course that they were his letters.

Q. You said that you saw one of the letters?—A. I could not swear to General Schenck's handwriting.

By Mr. SPRINGER:

Q. You saw letters which purported to be sent by him?—A. Yes, sir

[The witness produces a pamphlet entitled "The True History of the Emma Mine, by S. T. Paffard."]

By Mr. HEWITT:

Q. You were beginning to explain why you thought it was not possi ble that General Schenck had paid for the shares which were put in hi name. I asked you whether there was anything inconsistent with the fact of his paying, when, as you have testified, Park and Stewart had deceived you as to their payments to you—whether they might not pos sibly have deceived you also as to that part of the matter; and you replied that that was one link of the evidence in your mind that Genera Schenck had paid; and, as I understood you, that depended upon th correspondence which had taken place between Paffard and Genera Schenck.—A. Not entirely upon that.

Q. Did you ever see a letter purporting to be from General Schenc to Mr. Paffard, upon that subject?—A. Yes, sir; I have. I do not mea on that subject; I mean on the subject of the Emma Mine.

Q. But your difficulty in identifying the letter is the same as you e plained yesterday—that you are not familiar with General Schenc handwriting?—A. Yes, sir.

Q. But you believe it to be his letter?—A. Yes, sir.

Q. Do you know whether that letter was published in the Engl newspapers as the letter of General Schenck, and no contradiction w ever made to the assertion that it was his letter?—A. Not in all English newspapers; I believe it was published in the mining jo nals. There is no dispute about its being General Schenck's co spondence; at least, I never heard of any.

The following are the letters referred to by the witness:

To the Editor of the Mining World:

SIR: I see in The Times of to-day that in a letter of Major-General Schenck to American Secretary of State, Mr. Fish, speaking of the charges made on cablegr sent by the Anglo-American Company, he uses the expression that "*a system imposition is practiced which ought to be exposed.*"

Now, I have no interest in the Anglo-American Company, or any other telegr company; but in the Emma Mine and in General Schenck's connection with it, I interested, inasmuch as I took my shares in a great measure upon the strength of name being on the prospectus.

To me, and many other deluded shareholders, it appears a very strange thing t notwithstanding the fact that the Emma Mine was principally floated upon strength of the name of General Schenck, holding the high position he does, hav

allowed his name to be used in the sense of a guarantee of the bona-fides of the speculation, yet, though it has turned out a disastrous failure, General Schenck has made no sign of attempting to help the unfortunate shareholders, and has given no explanation whatever.

It is true, in reply to a letter from me in January last, he wrote me that he had still confidence in the mine, and was holding his shares in the full hope that dividends would come again; but in March he declines to give me any advice as to selling or holding.

Sir, there are ugly rumors about as to what induced the American minister to lend his name to the concern. I will not repeat them; but this I can unhesitatingly affirm, that among all classes of Americans now in London, at the Langham Hotel and elsewhere, General Schenck's connection with this notorious mine is spoken of in terms of regret, and is looked upon almost as a national reproach and calamity.

As to the Emma Mine, to quote General Schenck's own words to Mr. Fish about the telegraphs, I do not scruple to say, "*A systematic imposition has been practiced and ought to be exposed;*" and I now publicly ask General Schenck whether he will come forward and help to expose it?

I am, &c.,

S. T. PAFFARD.

44 TONSLEY HILL, WANDSWORTH, *June* 26, 1873.

44 TONSLEY HILL, WANDSWORTH, S. W,
July 9, 1873.

SIR: I must express my surprise that you have in no way noticed the letter from me in the Mining World of the 28th ultimo, or acknowledged my letter to you of same date; the more so that two previous communications from me to you in January and March last were very promptly answered.

In one of those answers, dated 28th January, you use these words: "I still hold my original *investment* of 475 shares, in the full hope of dividends coming again," &c. Now, in reference to this paragraph, I must tell you that one of the ugly rumors I alluded to in my published letter is, that you did not bona-fide pay for the shares now standing in your name in the register of the Emma Company. Whether this be true or false I know not; but this *I do know*, that a countryman of your own, now in London, and who is intimately acquainted with the whole history of the Emma Mine and the means used to float it on the English market, has not merely told me, *but has sworn it in an affidavit*, that, to his certain knowledge, Mr. T. W. Park, in settling with his copartners of the New York Emma Company, deducted the sum of $50,000 as to the value of the shares held by you precisely as he did the £100,000 paid to Mr. Albert Grant for successfully bringing out the mine.

Furthermore, the same party swears that the Hon. W. M. Stewart, who had no previous interest in the mine, had 2,000 shares given him by T. W. Park for becoming a director himself and for inducing you to become a director, and so lend your name and weight to the concern. As this information was volunteered to me without reward or promise of reward, you can hardly wonder that I should believe it, and act upon it until contradicted specifically; and I now, therefore, ask you, general, respectfully, but firmly, whether the above two statements so sworn to are true or false, in any or every particular? If not true, whether you are prepared to take any action, and what, against those who have so aspersed your character; and if true, what you consider to be the present condition of those shareholders who did really invest money in a concern which was palmed off on the British public by such nefarious means?

Both Mr. T. W. Park and Hon. W. M. Stewart were (and probably are) friends of ours. I charge these two men with coming to this country in the fall of 1871 with nefarious intent, and, by fraudulent statements, getting a large sum of money from myself and fellow original shareholders. I again respectfully, but specifically, ask you whether you disown distinctly the acts of these men?

Should you decline to give me any answer to this, I must, on public grounds, appeal to the force of public opinion, both here and in America; and I therefore beg to notify you what my present intention is, viz, to insert a letter in either the Times, the New York Herald, Tribune, and World, or all of them, narrating the facts so sworn to; follow this up by a letter to President Grant and Lord Granville, as an aggrieved British subject, and to induce as many of my fellow-shareholders as I can to do the same, so as to bring a concentrated force to bear on the question.

Reserving to myself the right to publish this letter and your reply, or absence of reply,

I am your excellency's most obedient servant,

SAMUEL THOMAS PAFFARD.

His Excellency Maj. Gen. ROBERT C. SCHENCK,
58 *Great Cumberland Place, W.*

58 GREAT CUMBERLAND PLACE, HYDE PARK, W.,
July 10, 1873.

SIR: I have your letter of yesterday. You complain of my not answering your communication published in the Mining Wor d of the 28th ultimo, nor your note calling my attention to it. I should think you would have no difficulty in comprehending my reasons for silence. When you had previously written to me asking, as it seemed, in good faith, as well as courteously, for any information which I, an original stockholder in the Emma Mine, like yourself, (although to a very much larger amount and with greater loss,) might be able to give you, I replied promptly and in the spirit in which you approached me, and you had my sympathy. I gave you the benefit of all I knew, and suggested my own course, although I could not undertake to advise yours. But when you dragged my name into the public prints and accompanied your communications with offensive innuendoes, I could not, with proper self-respect, take further notice of your letters. You are a stranger to me, and I know nothing of your motives or why you should be disposed to assail me personally except under some great misapprehension. Your last letter discloses to me that you may perhaps have been deceived into believing statements based upon falsehood on the part of somebody. Considering that you may have been thus deceived, while I utterly disregard and am not to be moved by anything like threats, I have no objection, if you will call on me here, at 10 o'clock on Saturday morning next, or at some other convenient time, to give you an interview, as you suggest. My pressing engagements and duties make it difficult for me to appoint a meeting elsewhere.

I am yours,

ROBERT C. SCHENCK.

S. T. PAFFARD, Esq.,
44 Tonsley Hill, Wandsworth, S. W.

Q. Do you know whether this interview ever took place between Mr. Paffard and General Schenck?—A. No, sir; I only know what Mr. Paffard told me on his return.

Q. He told you that the interview had taken place?—A. Yes, sir.

Q. Did he tell you the nature of the interview?—A. Yes, sir.

Q. Can you repeat it?—A. Pretty closely, I think. I can; yes, sir; considerable of it.

By Mr. MONROE:

Q. I wish to ask if the witness knows the name of this American who made the affidavit. Was it yourself?—A. Yes, sir; I did it; I am satisfied that refers to me. I was as anxious to have some explanation from General Schenck as Mr. Paffard was; I really would have been glad to know what General Schenck would say in reply to these charges, because, as I knew the money had been charged to me, I would necessarily like to know what defense General Schenck would make. Previous to that, I had told Mr. Paffard to have no hesitation in saying to General Schenck that it was generally talked of among American citizens in London that he was a man of inconsiderable means, not a moneyed or a speculative man. Mr. Paffard said he would do it. Said he, "He will not be offended?" I said, "I do not think he will; I think he will answer you in some way; but do not fail to ask him where he obtained the money to pay for those shares, and to ask him particularly in reference to the statements which I have made as to the money being charged to me in the settlement." Mr. Paffard told me that General Schenck told him in the first place that he did not know much of me; in fact, knew hardly anything about me, but that he thought I was an adventurer, and asked Mr. Paffard if he did not think that his own testimony and that of Mr. Stewart, occupying such high positions in the councils of the nation, should be better than mine. Mr. Paffard says that he replied to him that there were very many corroborating circumstances which had led him to believe that he had received this money for his name to float this company; that he said, "May I ask you, General Schenck, without giving any offense, as it is reported by your fellow-countrymen that you are a man of inconsiderable means, how you paid

'or those shares?" The general, he says, replied to him, "I have no bjection whatever to telling you. I had a patrimony left me from my ather's estate of about $25,000, consisting of some coal-mines in the tate of Wisconsin."

Q. Are you sure now as to the State being Wisconsin?

A. Yes, sir; I am. I will reply to you very soon on that subject. I borrowed $25,000 to pay one-half of the amount on this property; e other half of the money I borrowed of Mr. Park, and I have not paid n quite all up for it yet." "Mr. Paffard," said I, "there is some mis-ke about this; there are no coal-mines in Wisconsin that I know of." e had some considerable talk about this, and that is about the sub-nce of that interview as given to me by Mr. Paffard.

By Mr. SPRINGER:

Q. What was the date of that interview?—A. It was right away after se letters were written which you have read.

Q. In 1873?—A. Yes, sir. I then called upon Mr. McCulloch. I lled upon some business, and Mr. McCulloch asked me to let up on neral Schenck, not to be too severe on him. I told Mr. McCulloch at I was sure, at least in my own mind, that he had received this ney. Mr. McCulloch said, "Mr. Lyon, I have seen the general thin a day or two, and he is very indignant upon the question; as n as the Emma Mine name is mentioned, he is in quite a rage," or nething of that kind. "He cannot bear to hear the name of Emma ntioned." "Well," said I, "I should not be surprised if that were so." id I, "Mr. McCulloch, I cannot forgive General Schenck for one ng—for saying to Mr. Paffard, an English gentleman, who called upon n, that I am an adventurer, and that my word is not as good and ght not to be taken as quick as that of the American minister, and . Stewart, Senator from Nevada, occupying such high positions in councils of the nation. Now, Mr. McCulloch, you know me," said I, nd you know that he made these statements." "I know, Mr. Lyon," l Mr. McCulloch, "but I want you to be easy on the general." I nk Mr. McCulloch afterward told me that he saw General Schenck, l that the general denied making such statements; but that is about substance of that interview.

By Mr. FAULKNER:

). Did Mr. Paffard comply with the request that you made of him, t he would bring directly to the attention of General Schenck that),000 with which you were charged, which you, at that interview, directed him to bring to the general's attention? You gave his ex-nation how he paid for the stock.—A. That he bought it. He de-l getting stock for the use of his name, in conversation with Mr. ard, and said he paid for it regularly, and then stated how he paid it.

By Mr. MONROE:

. This £10,000 was for the stock?—A. Yes, sir.

. There was no rumor of a present of £10,000, apart from the stock?

. O, no, sir; it was confined to that first five hundred shares of k; that it was given to General Schenck, as a bonus, to induce him o into the enterprise, and was so related to me in my settlement.

. The question is, whether General Schenck really paid for it in the ular way?—A. That seems to be the question—or one question, at t.

By Mr. HAMILTON:

Q. General Schenck states, in his testimony, that one-half of this did come from Mr. Park—that is, $25,000?—A. No, sir; he stated that to Mr. Paffard.

Q. And he said, also, that one-half of it was this coal-mine in Wisconsin?—A. Yes, sir; that he borrowed one-half of the money.

By Mr. HEWITT:

Q. Do you know whether Mr. Paffard, after this, ever made a publication of the history of the Emma Mine, in which he connected General Schenck with it, as having received a bonus of stock?—A. No, sir; I do not remember anything else.

Q. He did publish a history of the Emma Mine transaction?—A. That is the paper you have in your hands. That is the only one I ever saw.

Q. Have you any knowledge of the fact that he publicly charged General Schenck with having received his stock as a bonus for becoming a director, except in these letters?—A. I should say that I had seen publications, circulars or publications, in some form.

Q. Charging this thing upon General Schenck?—A. Yes, sir.

Q. Do you know whether General Schenck ever made any denial?—A. I never knew of any denial until I saw General Schenck's testimony; that was the first time I ever saw anything published of the kind.

Q. You have stated that this was one of the links of the chain of evidence in your mind; what other link is there?—A. Nothing; only what I have said in general terms.

Q. Have you any personal knowledge that General Scenck took any direct action to affect the value or selling-price of the stock of the Emma Mine Company in the public market? Do you know that he ever personally did anything directly either to put up or to put down the value of the stock in the market?—A. I think that letter which he wrote on the 6th of December is what would be called on the Stock Exchange a "bull" letter for increasing the price of the shares.

Q. The letter of resignation?—A. Yes, sir.

Q. Aside from that letter, do you know of anything?—A. I do not just now remember anything.

By Mr. HAMILTON:

Q. How about the subsequent subscription?—A. O, yes; I had forgotten that.

By Mr. HEWITT:

Q. Do you know of his going in person to brokers in the street?—A. I never saw him there; I have seen his carriage in the street.

Q. You do not know whether he personally went to brokers in the street?—A. No, sir.

Q. You have stated that two geological examinations were made by experts prior to the sale of the mine, one by Professor Blake and one by Professor Raymond?—A. Yes, sir; those two gentlemen made reports previous to Silliman's.

Q. Now, if I understand you, the examination of Professor Blake was made prior to the time when Silas Williams took possession of the mine for the purpose of fixing it up?—A. It was pretty near that time; did not vary much from that very date.

Q. Yes; but was the excursion made in advance?—A. Silas Williams could not have been there but a few days, at all events, if he was there then. I am not very sure that he was there; but he could not have been there to prepare the mine at all.

Q. Did you see the report of Professor Blake?—A. Yes, sir.

Q. Do you know whether he made one or two reports?—A. He made one report, that I referred to in my examination, which I obtained through another person, Mr. Baxter. It was suppressed. That was the first report. Mr. Park told me that he gave him $2,000 to make that report; but he would not offer the mine for sale on such a report as that, and that Mr. Blake's report was a failure.

Q. Now, as to the second report?—A. The second report, Mr. Blake said he made a very few days after that. That was in a conversation which I had with him in New York last fall, I think. He sent it by mail to General Baxter, modifying this report still more.

Q. In a favorable or unfavorable direction?—A. Unfavorable; most decidedly unfavorable. He said that there were not sufficient developments on which to offer the mine; that it ought to be further developed.

Q. Were these reports of Professor Blake's ever published?—A. Not the second one; I never have seen it.

Q. Was the first one printed?—A. I think it was; I think the first was given to me in a pamphlet.

Q. The first was printed in full?—A. In full, I think. I think the mining-broker from whom I received it brought it to me in a pamphlet form.

Q. Do you mean printed prior to the sale of this property?—A. Yes, sir; I think so now. I am not going to be too positive about that, but I think it was brought to me in a pamphlet form by the broker, he saying that Mr. Baxter requested him to return the same to him, as they did not intend to put them in circulation, and I then gave it back to the gentleman.

Q. Then you mean to say it was printed for reference, but never was published to the world?—A. I think it was in a pamphlet form, and that it was given to me. I think their first intention was to publish that statement.

Q. Do you know, or do you not know, whether that first report of Professor Blake's was printed and published in London so as to be accessible to the public?—A. I think it was not. Professor Blake's report was suppressed from the public in London, and it has been so charged against the directors on several occasions, and has not been denied.

Q. Have you seen a recent publication of Albert Grant's, in which he asserts that Professor Blake made a favorable report on the mine?—A. I have seen Albert Grant's statement, but I do not really recollect now that particular part of it.

Q. How long after Silas Williams took possession of the mine as manager, as you say for the purpose of fixing it up, was Professor Silliman's report made?—A. Professor Silliman's report was made on the 16th day of October, 1871. I should think he had been there pretty near three months.

Q. Williams?—A. Yes, sir.

Q. Assuming Professor Silliman to be an experienced and competent man, do you think it would be possible for a mining-superintendent so to fix up a mine as to deceive him? You have been familiar with mines for many years?—A. Yes, sir.

Q. I should like to know to what extent you think a thoroughly able and competent mining "boss" or "captain," as we call him, could prepare a mine so as to deceive a competent geologist—a mining-engineer?—A. That would depend a good deal upon the character of the man who

was going to examine it. I do not think he could deceive an honest, straight-forward, square, scientific man very much.

Q. Assuming that a man, perfectly straightforward and honest and a good geologist, were taken into a mine by a very able and competent mining-captain, do you think things could be so fixed and arranged, if the geologist were not suspicious but coming in in good faith, as to deceive him?—A. I think, if the geologist had confidence in the superintendent and placed the utmost reliance upon his honesty and integrity of character, that he could fool him terribly.

Q. Have you any reason, beyond the simple fact that the mine turned out ill afterward, and your knowledge of Mr. Williams and Mr. Park, to suppose that Professor Silliman himself went there for the purpose of deceiving the public; or do you think he went there to make an honest report? Have you any fact on which to base an opinion that Professor Silliman went there for the purpose of making a false report?—A. I will give you the reasons why I have arrived at the conclusion I have reached.

Q. I will take the reasons, of course, but I would much rather have the facts, if there are any.—A. Yes; I shall be obliged to give you the facts from which I draw my inference. When Mr. Park related to me the instructions that he had given to Silas Williams to prepare that mine for the purpose of inspection by the engineer who might possibly be sent out to examine it, and with the view of taking any ore out of it, and that a large number of men, say about one hundred, who had been in active employment in the mine up to that time had been taken from it and only six men left there to work during that time; and with the knowledge I had of the mine from various other parties; and knowing it to be a fact that a large body of ore had accumulated at the depot and was not shipped; and also from the conversation of Messrs. Park and Stewart that this mine, so far as the development and the ore in sight were concerned, was weakened, and that Mr. Park thought there was about $250,000 of ore in sight, and that he intended to sell that mine upon its reputation and its past yield; also from the report of Professor Raymond, an engineer who had examined it, and the report of Professor Blake; the knowledge that I obtained from Arthur Lewis, of London, one of the metal-brokers who was receiving consignments of ore from this very mine at that time, his opinion being very unfavorable upon the present condition of the mine at that time to be offered for sale in the market; the fact that Mr. Stewart was intimately acquainted with Professor Silliman——

Q. Do you know that Mr. Stewart and Professor Silliman were intimately acquainted?—A. Yes, sir; I judged from Mr. Stewart's conversation with me that he knew him very well. At different times I talked with him about it.

Q. That is, Mr. Stewart told you that he knew him?—A. Yes, sir. I do not know Professor Silliman, and never saw him. Those are the grounds; and also the fact that there was a contract to pay him £5,000 to make that survey, and that he should receive the sum of £40,000 or £45,000 in addition, provided the mine was sold.

Q. Those facts as to payment you know only from Mr. Stewart?—A. No, sir; I have got another fact beyond that.

Q. Won't you include that in stating why you believe he received this money?—A. That has been charged on many occasions in London, and never been denied by the directors or the vendors, to my knowledge, up to this time.

Q. I suppose you know it is denied by Professor Silliman?—A. No, ir; I do not.

Q. Publicly, and on all occasions?—A. No, sir; I never have seen his enial. One of the attorneys in the litigation between the Illinois Tun-el Company, of Utah, and the Emma Mining Company, of London, id who was employed by one of the adverse claimants when my litiga-on was pending, and worked in harmony with Mr. Park at the same me, charged Messrs. Park and Stewart, in court, with offering testi-ony to that court in reference to the location and condition of that ine, which testimony he charged cost over forty or forty-five thousand illars, to obtain which sum we had paid our share. "Our share" eans the share of the dividends in the suit which I brought against e Emma Mining Company, referring to Professor Silliman's report. ley were offering that report in evidence against the testimony of a iner, which testimony cost twelve and a half cents. That was charged the attorney in the Illinois Tunnel Company's suit, who had pre-ously been Mr. Park's attorney, and who knew all about the transac-on.

Q. It was so charged, you say; was it sworn to by the witness?—A. , sir.

Q. It was a statement?—A. It was a statement made by him in their esence and not denied. That is another piece of information which mes from the defendants themselves, showing that they paid it; not at Professor Silliman received it. That I do not pretend to know. hen this mine failed suddenly to produce, I naturally arrived at that nclusion.

Q. Then you connect Professor Silliman with a fraudulent report on e statement made by Stewart and two other persons in regard to the ansaction, but not testified to in any proceeding about which you iow anything?—A. The failure of the mine to produce a quantity of e anything like——

Q. I merely wished to know whether you had positive evidence by hich you could connect Professor Silliman with a fraudulent report.—. That is all I can state that comes to my mind at the present time. would mention one thing more which attracted my attention. It is e first time in my life that I ever knew of a vendor furnishing his n engineer and paying him for examining property which he proposed sell in the market. That was another singular circumstance that me to my knowledge.

Q. Had you not heard that Professor Silliman was engaged in London a man whom the English stockholders desired for the purpose of mak-; this examination?—A. I have heard that Mr. Park has stated that English people furnished their own engineer. I have often heard it he was employed by Mr. Park.

Q. I understand that he was paid by Mr. Park. It is asserted, and I ieve will be demonstrated, that his name was mentioned in England the man whose opinion they wanted.—A. Yes, I think he was named England by Mr. Stewart.

By Mr. HAMILTON:

Q. From all the surrounding circumstances, must not Professor Silli-n have known the reason why his report of this mine was desired—y it was that he was sent out there? Must he not have known that y were attempting to sell this in the English market?—A. Unques-iably.

By Mr. HEWITT:

Q. Do you not suppose that Mr. Blake also knew the same thing-that he was sent out there to make a report because they wanted to se the mine?—A. Yes.

Q. Does not every mining-engineer know when he is sent out for suc a purpose?—A. Yes; it was made for the purpose of selling it.

By Mr. HAMILTON:

Q. Is it customary for an engineer to go out and merely look throug a mine and take a boss's statement about what is before him?—A. H ought not to.

Q. Is it the custom for such a geologist as Professor Silliman, if he i honest, to go into a mine, and when a man shows him the ore inside, t look no farther, or does he not make an elaborate examination, and i not Professor Silliman enough of a geologist to go into that elaborate examination?—A. A man may be very honest and at the same time may neglect a little duty. He may have confidence in——

Q. But if he be an upright, honorable, high-minded man, perfectly competent, does he take the statement of anybody else?—A. He ought not to.

By Mr. WILLIAMS:

Q. What was done in the case in the way of fixing up the mine?—A. I do not know what was done in the case. I only say to you that I should have to give you the same kind of evidence that I have seen and heard. I saw the testimony, in the form of a commission, taken, which was read to me one day. It was the testimony of one of the men in the employ of Silas Williams. It had been charged in some public record that ore was ingrafted on the walls of the mine by this Silas Williams, to prepare it for the inspection of an engineer, and it was denied by Mr. Williams that he had prepared the mine in any such way. One of the men in the employ of Mr. Williams said that the ore was not ingrafted into the walls of the mine, as that could not be very well done; but that in running a drift, an adit, as we call it, along the vein which may have been 8 feet wide, it is quite easy to take it off only (feet wide, thus leaving a foot on each hanging-wall all the way through and making it look very fascinating.

By Mr. HEWITT:

Q. But a competent mining-engineer would not be deceived by that Would he not take the men and order them to drive a hole through th wall?—A. It ought to be done.

Q. That would only deceive an ignoramus or a dishonest man?—A That is one way to fix up the walls of a mine. So far as the bottom (the mine is concerned, it is quite easy to put down two, four, or six fee even, of the large mass of ore coming out—to throw it along the whol bottom, working over it and packing it down very hard; then, diggin down with pick and shovel, it would show very good mineral at variou places all along the bottom. So far as working the upper levels is co cerned, and running the drifts and cross-cuts, there is no way of whic I can conceive to deceive an engineer except to leave the ore upon th walls, and call it ore and measure it high up—a hundred or two or thr hundred feet, as the case may be—and assume it all to be a solid ma of ore, and figure it up as a certain number of cubic feet to the ton, &

Q. Could not a competent man dig and strike the floor of the min and thus estimate what amount of thickness there was, and not l deceived by the fact that a mass was dropped upon the bottom, as yo

have described? If a man were a competent engineer, would he not do that to get the strike of the roof and the strike of the floor, and get it easily, too?—A. When a report speaks so conclusively as that does, with such a large body of ore exposed to sight, I do not know how he could well be deceived unless he simply took the report of the engineer who was there. I do not see how he could be deceived on examination.

By Mr. WILLIAMS:

Q. What is your answer to Mr. Hewitt—that he could take the strike of the mine, &c.?

Mr. HEWITT. That he could take the strike of the depth, the inclination of the ore, and all that?

A. Yes; he ought to have done all that, and this ore ought to have been cut with drifts and levels, so that there could not be any reason to believe that it was anything but a body of ore.

By Mr. SPRINGER:

Q. Can a competent geologist and engineer make such a statement as Professor Silliman's first report of the ores and bullion now on hand and of ores in the mine unless he had given it a very careful and thorough examination?—A. No, sir; it is hardly possible, unless he took the statements of people who could not do it.

Q. What does he estimate the whole value of the ores on hand to be, according to his statement in that report?—A. He puts it at £357,750 sterling of the first-class ore, £640,000 of the second-class ore, the total being £421,750, or $2,000,000, and upward.

Q. Was that true?—A. Well, I should say it could not possibly have been true, from recent developments.

By Mr. HEWITT:

Q. Subsequent events prove that the estimate was too high?—A. Yes.

Q. If he had assumed that the percentage was the average that had previously prevailed, and it turned out to be leaner, that would account for the difference in the estimate of value?—A. Yes; it would account for the difference in value; that is very true.

Q. That is a question of analysis, and he might be deceived in making his estimate of the amount?—A. He could have been deceived as to the amount if he wanted to be deceived.

Q. If he wanted to be?—A. If he were willing to be, I mean.

Q. Do you know whether, prior to the contract between General Schenck and Mr. Park, any suggestion was made by anybody, in any quarter in London, that General Schenck should become a director in this company, prior to the contract?—A. I was not in London before this thing went to the public.

Q. You have no knowledge on that subject?—A. No, sir; on the 20th of November I arrived there, and my information was obtained after my arrival.

Q. I will ask you whether on your arrival you heard of such a fact?—A. Yes, sir.

By Mr. FORNEY:

Q. General Schenck was a director when you reached there?—A. Yes.

By Mr. HEWITT:

Q. Did you learn that such a suggestion had been made, on your arrival, by Park or by anybody?—A. No, sir; I only heard the conver-

sation between Mr. Stewart and myself, that Mr. Grant object bringing out this thing unless the minister's name was on it.

Q. Was that a conversation prior to the date of the contract be Park and Schenck? Did Stewart tell you that it was prior?—A sir; I do not think he did.

Q. You do not know whether it was prior or subsequent?—A sir, I do not. I know that it was about the time that it was br out.

Q. As a matter of fact, do you know that any English direc any original stockholder, has ever made any complaint, in public private, as to the fact that this mine was brought out with the General Schenck's name on the directory for the purpose of selli Have you ever heard that complaint made?—A. A great many ti

Q. By shareholders?—A. Yes.

Q. And by directors?—A. I supposed them to be shareholders.

Q. You stated Mr. Paffard's case; you know he was a sharehol A. I know he was, and I know of several others who stated the been shareholders.

Q. Do you know it directly?—A. No, sir; I was not acquainte but two of the directors, Mr. Anderson and Mr. Percy Doyle. not personally acquainted with the others.

By Mr. SPRINGER:

Q. How was this report of Professor Silliman's sent to Engla you know?—A. Mr. Baxter told me he had cabled it at an exp $5,000.

Q. A cable-telegram?—A. Yes.

Q. The whole of the report?—A. The whole of the report. was nine per cent. in the Bank of England, and it was necessary t this thing out very quick.

By Mr. HAMILTON:

Q. What was General Schenck's bearing in London during the of this time, after the stock commenced falling, and it was foun the mine was a fraudulent undertaking?—A. I never came in c with General Schenck. Do you mean how did he act or behave?

Q. Yes. What were his actions, what was the general rumor th out the city?—A. Do you want me to give the general rumor?

Q. Of the general's conduct, an opinion as to what he was ge doing and saying about this matter, and what explanation he was in reference to it?—A. We could always hear of the confidence general in this enterprise.

Q. Still endeavoring to keep up the stock?—A. Yes.

Q. Even after this fraudulent transaction became known abr A. Yes.

Q. And after it was known that the mine was played out?—A as he did to Mr. Paffard.

By Mr. MONROE:

Q. You have several times quoted opinions of Mr. Park in re General Schenck, and have expressed your confidence in the ac of his statements. I wish to ask how far your confidence in th racy of such statements was based upon the word of Mr. Park far he gave weight to them, or how far they depended upon ot cumstances. In other words, I will ask you how much you knew truthfulness of these charges against General Schenck outside

Park's statement?—A. Well, I can say to you that Mr. Park has told me on several occasions that General Schenck's name sold the Emma Mine. As many times, I think, I have replied to Mr. Park, "Yes, there is no doubt about that, and it will some day end in a national calamity." Mr. Park said to me as many as two or three times that if he had known as much as he knows since this mine went to the public, he could have sold it for double the money. He told me the money was twice subscribed for, meaning that the shares which were applied for were double the number offered for sale at the first allotment. He asked me to go down there and see General Schenck's application, while the general was in Paris, for a further five hundred shares, after the general had written a letter saying that he had taken all the shares he was able to take.

Q. Was your knowledge of that letter of General Schenck's confined to Mr. Park's statement, or did you yourself see the letter?—A. I saw it, certainly; I saw that letter in the hands of Mr. Park, as well as the first letter written by Minister Schenck. They were directed to the chairman of the Emma Mining Company, but each time I found them in Mr. Park's office first.

Q. You mean the letter asking for more stock?—A. No, sir; I speak of the first two letters; the first letter of resignation, giving the political reasons therefor, and the next letter indorsing the board of directors as high-toned gentlemen, &c., speaking of the profitableness of the mine and expressing the same confidence that he already had expressed, and stating that he had taken all the shares that he had been able to take. That was about the substance of the letter.

Q. You saw the manuscript of the letter?—A. Well, I saw that also in Mr. Park's hands before it was published, and also before it was sent to the directors. It was addressed to George Anderson, esq. He was the chairman of this board of directors, and also a member of Parliament. Mr. Park asked me to go down with an application, purporting to be General Schenck's, to subscribe for 500 shares, which would cost £11,500, to be paid for within a certain time. I also have in mind the instructions of Mr. Park to me not to use the check to pay for those 500 shares at the London Westminster Bank, but to go to Jay Cooke, McCulloch & Co.'s and draw the currency to make the application so that they could not trace the transaction by the check. His instructions were to do it early in the morning, as it would have an influence on the subscriptions during the day. Now, then, with the general knowledge or information that I had, I will say that General Schenck was a man of inconsiderable means. I always heard him spoken of in America as a man of moderate circumstances, and as a very honest man also. I had a first-class opinion of General Schenck when I went to England—no man had a higher—and his ability was unquestioned. After all this, I can say that I could not help connecting one circumstance with another.

Q. And you have credited Park only as he was corroborated by these circumstances?—A. Exactly; and the fact that Mr. Stewart made the direct charge to me.

Q. Did I understand you, during your testimony, to state that Park, at any time, said to you that General Schenck had not in good faith paid for his shares?—A. No, sir.

Q. Did he ever speak of having loaned money to Schenck?—A. No, sir. Up to the time of the introduction of Mr. Blair's resolution into the Senate, Mr. Park always acted toward me in a very familiar manner about it, as though I knew it all the time.

Q. Knew what?—A. That General Schenck had got this money out of the Emma Mine; the fact, which I mentioned, of his telling me that he was going to play a little game with General Schenck, and my saying that it was too bad to win it all back again. Mr. Park spoke to me in that manner, and it was Mr. Park's opinion that this mine was sold by Minister Schenck's name. It seems to me that no other name in England, outside of the cabinet and the court, could have had the same effect in selling it.

Q. Mr. Park's statement, as I understand you, would not have had great weight with you unless corroborated by other circumstances?—A. I must say that my confidence in Mr. Park's general statements is very much shaken.

Q. What reason would Mr. Park have for continually leaving the impression upon your mind, if it were not true, unless it was the mere love of lying?—A. I do not think there was any lying about it.

Q. Why would he do this; what influence could it have upon you, all this time, to lead you to infer that General Schenck had not paid for those shares; would it have made you buy shares?—A. If Mr. Park or Mr. Stewart had told me that General Schenck had bought this stock and actually paid for it, as an investment, why I am pretty positive that, with all my knowledge of the character of that mine up to that time, I should have been a great deal more inclined to believe the report of the engineer who was sent there, Professor Silliman. I certainly would have been more inclined to believe it for the reason that I would hardly have thought they would go over to England and sell to the American minister.

Q. I desire to know how much you relied on Mr. Park's word in forming your impression?—A. I got Mr. Davis's account, and comparing notes I found that this information derived from Mr. Park and that obtained from Mr. Stewart agreed. I certainly thought there was no doubt that Mr. Park knew I was settling with Davis, and Mr. Davis was not exacting any money from his share of this thing that had been sold, as he had received at one time from Park about £6,000 and at another time £2,000, and at another time had received his sixth of this cash part.

By Mr. HEWITT:

Q. At what rate was the allotment made?—A. The first one was made at £20 per share.

Q. But I mean the second one to which you testified.—A. Twenty-three pounds.

Q. What was the market-value of the shares at that time?—A. About £24.

Q. General Schenck, as an original stockholder, had the right to some of the shares, had he not?—A. The offer was made to the shareholders.

Q. If he had not availed himself of that rate, he would be, practically, throwing away one pound per share, would he not?—A. Mr. Park was making the price of these shares at the Stock Exchange.

Q. I am talking of the price of the shares at that time, £24. If General Schenck had not been making his application he would have been throwing away a pound per share that day, would he not?—A. He would have made a pound a share that day, not throwing it away.

Q. As a matter of fact, when the stock is above the price of allotment, is it not usual for every shareholder, who can get any, to go and take it?—A. Certainly, there is nothing wrong in that. It is generally done.

Q. That is entirely consistent with a man's being perfectly impecunious and entirely honest.—A. Yes; it would be simply buying the shares, if that were his object in doing it.

By Mr. FORNEY:

Q. If I understood you, the object of his taking the new shares was to make other people come in and buy the stock?—A. That is what I say. I said if General Schenck's object was to make some money on the shares, and he did it for no other reason, it was proper. I wish to state another point in connection with this: General Schenck did sell out these shares, he says, for three or four pounds' profit, but he says that he did not sell out the first 500 shares which he took as a director. But he retains 500 shares, it seems.

Q. What did he get for those that he sold that day?—A. He says that he sold them out for three or four pounds' profit.

By Mr. WILLIAMS:

Q. Will you state again, in this connection, the time when you arrived in London?—A. About the 30th of November, 1871.

Q. How long did you remain there before you returned to America?—A. I was in London two years and over; I was there three years, more or less.

Q. What business were you engaged in while in London?—A. I was not engaged in much of any business. I bought some Emma shares and I sold some.

Q. Particularly, what business were you engaged in from the time of your arrival to the time when General Schenck's resignation was published?—A. In no business whatever.

Q. What was your purpose in going to London?—A. I went to London in response to a telegram from Mr. Stewart, and I supposed I went over there to get a settlement with this company.

Q. With whom were you associated after you arrived there and up to the time that General Schenck's resignation was published—I mean who were your associates in business?—A. Mr. Johnson was one of them, and I do not remember that I had any other intimate acquaintance.

Q. Were you associated a good deal with Mr. Stewart and Mr. Park?—A. Mr. Stewart remained there only a few days.

Q. After that were you associated considerably with Mr. Park?—A. I wandered in quite often to see Mr. Park after that; yes, sir.

Q. Were you associated with him more, probably, than any other individual?—A. No, sir; Mr. Johnson more than any one else. He has been my attorney for about fifteen years.

Q. Were you then acquainted with all the details as you have related them on the stand here?—A. Some of these things I learned after Mr. Stewart left.

Q. But, in substance, the general character of this enterprise?—A. Yes, sir; the general character, so far as I have stated it.

Q. Did you do anything during that time to acquaint the English stockholders or the public with the character of this enterprise?—A. No, sir; nothing.

Q. Why did you not?—A. Because it was none of my business to do that; I had nothing to do with the sale of it; I was entirely clean from the sale of it.

Q. Did you acquaint General Schenck with the nature of this enterprise?—A. No, sir; I was not sufficiently acquainted with General Schenck to say anything to him on the subject.

Q. Do you think that you could have procured an interview with had you desired to?—A. Yes, I could if I had desired to. I had a ter from Senator Stewart to Mr. Moran.

Q. You had no desire to seek an interview with General Schencl A. I cannot say that I had a desire to do so. I had no business ' him and therefore no reason.

Q. Would you not naturally think it was due to him, acting in capacity in which he did there, that he should be acquainted with t facts?—A. Well, sir, most emphatically, I have seen many times w we might get ourselves into difficulty very well by making some st ment of that kind; but I did not want to volunteer to do it; I w have been doing it in the face of Professor Silliman's report.

Q. Did you act in conjunction with Mr. Park in any manner in forw ing these sales in London?—A. No, sir; I had nothing to do with t in any shape or form, with the exception of taking down that app tion of General Schenck's to the London and Westminster Bank.

Q. Do you think now that that was exactly the proper thing to dc A. Well, I am not exactly a messenger; I did not put myself in capacity. I was doing it for no pay, but I took the application dow the request of Mr. Park. At the same time, if that mine was pla out and I had known it was played out, I ought not to have done it

Q. You ought not to have participated in it?—A. No, sir; I ou not; but it will be borne in mind that I took that down with a teleg from Professor Silliman, claiming that in addition there were other k discoveries made, $16,000,000 worth of ore discovered, which, I must would shake the judgment of almost any man who might even have doubts about the property.

Q. Did you believe that report to be true or false at that time?- Well, I must say I had my doubts about it, but I could not say p tively that it was not true.

Q. Was it not false to the best of your impression?—A. Yes; the of my impression, as I have said, was that it was somewhat shaky.

Q. And in your opinion at that time, was there not a fraud being petrated upon these purchasers?—A. It was not intended by m perpetrate any fraud.

Q. No, I do not mean that; but was it not your opinion?—A. T that telegram was sent for that purpose?

Q. Yes.—A. Well, I cannot think anything else as it has turned since.

Q. When was your affidavit made in which you first disclosed knowledge of this enterprise?—A. I should now say that it was after the dividends ceased, in 1873.

Q. Long after General Schenck had resigned as director?—A. C had resigned; he was director only about a month.

Q. When was this printed statement made which you have exhit to the committee?—A. That has been made several months.

By Mr. HAMILTON:

Q. Was not the reason of your taking that further subscription check of General Schenck's, that Mr. Park was sick?—A. No, sir; at that time; Mr. Park was ill the first time I called upon him.

By Mr. WILLIAMS:

Q. For what purpose was this printed statement or evidence pared?—A. I was asked for it by a member of the press, and I prep it, but never published it.

Q. Have you ever offered in any way or manner to dispose of

statement to the press for a consideration?—A. Never in my life. I would not do such a thing as that for any amount of money. I have had several people call upon me for it, but it has never been published.

By Mr. PACKER:

Q. How many interviews did you have with General Schenck in Europe?—A. It is not clear to my mind that I had more than one or two; probably two. It was entirely in regard to the trustees' meeting to pass upon the title, so that Park could get his money; on no other subject.

Q. Was there anything said in reference to the stock of the Emma Mine at that time?—A. I think not a word; I think I was not in his room more than a minute or two.

Q. State as nearly as you can all that occurred at that interview.—A. Mr. Park gave me a letter to the general for the purpose, I think, of asking him to meet as a trustee at such a time, and requested me to bring back an answer. That is all there was of it according to my recollection. I do not remember seeing the general a second time, although I may have done so. Some one told me that he had gone out into the country. I know on one or two occasions when I was there I called in when he was away on business.

Q. Then you do not remember his saying to you or any one else anything whatever in reference to this Emma Mine, except your request to him to attend a meeting of the trustees?—A. Nothing more at all. I never had a word of conversation with General Schenck on the subject of the mine in my life, and I think the general never asked me a question about it, and I do not know that he knew I was acquainted at all with it, in fact. The letter was simply a letter to the general about the meeting.

Q. Were you familiar with his handwriting at all?—A. No, sir; I was not. He gave me a letter to Mr. Park, but I did not notice it enough to notice his handwriting. I never saw the general write. The letter that I read before the committee here only purported to be from him, but I do not know anything about it.

Q. Then, as I understand, all the information you have in reference to the connection of General Schenck with the Emma Mine business was derived from other parties?—A. Yes, sir.

Q. And not from any writing or declarations that you knew to have been from him?—A. That is true, sir; and the acts, I might say, of Mr. Park, in sending me down there to subscribe for stock.

Q. You had no knowledge that General Schenck knew at all of your having been sent, nor of the existence of that subscription?—A. No, sir; not until I saw his statement in his affidavit. I saw that it referred to it.

Q. The only information you originally had, then, of the connection of General Schenck with the subscription of £10,000 came from Mr. Stewart?—A. Yes, sir.

Q. Was not that at a time when Mr. Stewart was attempting to explain to you why he should not pay you as much as $500,000 for your interest in the mine?—A. Yes, sir; it would amount to that, to show that there would be less money coming to me.

Q. Was it not at the same time that he was saying that he had agreed to pay a certain amount to Professor Silliman for his report?—A. Yes, sir; at the same time.

Q. And that they had paid £16,300 as a fund for dividends?—A. Yes,

Q. Did not both Mr. Stewart and Mr. Park say to you that Mr. P was interested with Mr. Stewart in the purchase of your interest in t Emma Mine?—A. Yes, sir; not at the same time. Mr. Stewart, I thi told me when he first made the trade with me that he had interest Mr. Park, or was going to, and then Mr. Park told me, after I Stewart left, that he had a one-third part of that purchase.

Q. From you?—A. From Mr. Stewart.

Q. Was it not the interest of Mr. Stewart, at the time he was maki the representation to you of the necessary appropriation of these d ferent sums of money to other parties, to show you that your interest it was not as great as you and he and the other parties had previou supposed it would be?—A. Yes, sir; I should think so.

Q. Was it not equally the interest of Mr. Park, being interested wi him in this purchase, to convince you that Mr. Stewart's statement w correct?—A. Mr. Park's purchase had not been made then when M Stewart made the statement to me.

Q. Did you not state in your testimony yesterday that Mr. Stewa told you that Mr. Park was equally interested with him, or interested some extent?—A. Not until after I had settled with Mr. Stewart.

Q. How long after was that?—A. Pretty soon after; a few days.

Q. Mr. Stewart remained there?—A. Mr. Stewart told me then. I a not sure whether Mr. Stewart had left or not when Mr. Park told m but he told me soon after that.

Q. Was it not in the same interview?—A. No, sir.

Q. Was it not at the same time that Mr. Stewart told you that Pa was interested with him in the purchase?—A. I do not think Mr. Stewa told me in the presence of Mr. Park.

Q. No, I did not so understand your testimony the other day; b Mr. Stewart told you in this same interview at which he gave you th list of items?—A. No, sir.

Q. How long after?—A. Immediately, or very soon after, Mr. Stewa told me.

Q. Within a day or two?—A. Yes sir. I should say within a day two; while Mr. Stewart was there. He left soon afterward. Sub quently Mr. Park told me that he had an interest, and I told him th Mr. Stewart told me so.

Q. You were asked whether there could have been any motive on t part of Stewart and Park to falsely represent that General Schenck w to receive this £10,000 of the stock of the company?—A. Yes I think it was to their interest—that they had in view the subject buying my contract.

Q. Was it not that representation which induced you to take $150, instead of $500,000, which you had originally asked?—A. Well, wl they had made up this bill of expenses to me, I found their construct of the contract was different from mine; that is, that they held that the moneys paid out should be chargeable to me, as expenses, in ac tion to the $1,500,000 provided for in the original contract between Emma Mining Company and myself. Mr. Stewart insisted upon p ting that construction upon it, and then convinced me that there nothing coming to me, or nothing to deposit with Seligman & according to the terms, if I took the one-eighth.

Q. Then was it not through that representation that you were duced to take $150,000 instead of $500,000, which you had origin expected?—A. If the whole sum of $1,000,000 had been paid, it wo have made a large difference with me; £10,000 would have made sc difference, but not as much as $1,000,000 would.

Q. Was not this representation, then, made use of by Stewart for the purpose of inducing you to reduce the amount of your claim from the original sum of $500,000, and did not that influence you to compromise and take $150,000 for your share?—A. When I found that they were determined to charge me $1,000,000 for promotion-money, and add it to the $1,500,000 provided for in the contract, I saw it was absorbing all the cash part. Then I saw that Stewart and Park had done this because I assented to the provision of the contract that the mine should be sold on such terms as Park and Stewart should agree upon; that I was committed in that matter. I could see very clearly that if they had paid out this million dollars, there would, then, of course, be so much less coming to me if I should take the eighth in lieu of the deposit with Seligman & Co.

Q. Of which the $50,000 represented to have been paid to Minister Schenck formed a portion?—A. Yes, sir.

Q. Did not that representation aid in influencing your judgment to accept this proposition of Mr. Stewart's to take $150,000 instead of $500,000?—A. Certainly, sir; that was one, and the other was that the stock was tied up. That induced me to compromise, in connection with the statement that the stock was tied up in Albert Grant and could not be sold within nine months, and together with the knowledge that I had of the mine altogether.

Q. Both Mr. Park and Mr. Stewart stated to you that Minister Schenck did receive this $50,000 worth of stock?—A. No, sir; I do not think that Mr. Park's conversation and mine extended to this, because this settlement was made between Mr. Stewart and myself.

Q. You do not know that Mr. Park ever said so?—A. No, sir; and I do not even know that Mr. Stewart ever told Mr. Park.

Q. Mr. Park subsequently told you that he was interested with Mr. Stewart in the purchase?—A. Yes, sir; in the purchase of my contract.

Q. Then, was it not as much his interest, as the interest of Stewart, to induce you to believe that Minister Schenck had got the $50,000 worth of stock?—A. Well, sir, I am prepared to believe that they would undertake most anything.

Q. Was it not his interest?—A. Certainly, if he had anything to do with buying my contract. I think they had my contract in view when they telegraphed me to come over there.

Q. And also when they made these representations of expenses?—A. Yes, sir.

Q. At what time did they agree to pay you $150,000?—A. Mr. Stewart told me that he had made arrangements with Mr. Park to pay me $1,000 as a forfeiture, in case they did not comply with the contract for the purchase, and pay me, I think it was one-half, or about that, for the balance within twenty days. That would give Mr. Stewart time to go to New York to see if he could induce the New York shareholders to part with their stock on such terms as would satisfy Mr. Park, as it would be necessary to give large pulls to dispose of it, and it would depend upon the trade he could make there, so that Mr. Park could stay in London and give his time to the business. The balance was to be paid to me, it seems to me now it was in sixty or ninety days afterward.

Q. At what time did you make this agreement with Mr. Stewart?—A. Within a few days after I arrived in England; I should say the 2d, 3d, 4th 5th, or 6th of November, 1871; somewhere about that time.

Q. You have stated the time when they agreed to pay it. At what time did they actually pay the $150,000?—A. Within the time; within sixty days, I should think.

Q. By whom were you paid?—A. Mr. Park. He suggested the pro-

priety of indorsing my contract, or making an assignment of it direc to Mr. Stewart, before Mr. Stewart suggested it, and I am not sure l Mr. Park got off the bed to write it. At all events, he suggested it dictated the manner and form of the assignment.

Q. And you did make the assignment to Mr. Stewart, and Mr. Pa paid you the whole of the consideration-money?—A. Yes, sir; t assignment was made on these conditions.

Q. Within sixty days?—A. I should think it was sixty days.

Q. Then, by the latter part of January, 1872, you were paid y $150,000?—A. I think so; yes, sir; that is my recollection now.

By Mr. SPRINGER:

Q. I will ask you whether one of the inducements held out to you Mr. Park and Mr. Stewart, for receiving $150,000 instead of $500, which you were promised for your interest, was not that the mine worked out and the rest of the shares tied up for nine months, and t if you did not take that you might not get anything?—A. I saw v clearly that I would not get anything, according to my view of it; shares were tied up for nine months.

Q. Did they hold out to you the inducement to take the $150,00 view of this fact, that they were tied up and the mine worked out A. Mr. Stewart and myself, I think, understood one another perfe well on the subject of the mine being worked out, as I remarked on t occasion to Mr. Stewart.

Q. What was the prospect for selling the balance of that stock t was tied up, in view of the fact the mine was worked out?—A remarked to Mr. Stewart, "You know these shares are tied for nine months and are worthless. How are you going to satisfy English people on the subject? You cannot take out any ore in winter; there is no ore there to take out. How are you going to s isfy them about the quantity of ore coming from the mine so as to able you to dispose of this stock?" He replied, "Why, we can t them that there are deep snows in the country and there is no opportun to haul ore in the winter season, but that in the summer season we c take out all that is on hand, and the money lying at the depot at S Lake will be sufficient to pay the dividends until that time," and I w not willing to risk that.

By Mr. HAMILTON:

Q. Not because General Schenck had received £10,000, but becau you feared you would not get anything?—A. Yes, sir; that is the w I looked at it at that time. In my view of it this stock could not be s but was tied up. I afterwards learned that they did commence selling It might have been tied up and then released afterward. I do not kn anything about that, but I know they commenced selling it.

By Mr. PACKER:

Q. Did you ever see Minister Schenck at Mr. Park's place, or in co pany with him?—A. No, sir; I do not know that I have any recollect of ever seeing the two gentlemen together.

Q. Did you ever see Mr. Park at General Schenck's residence or pl of business?—A. I never saw him there. I have seen him twice wl he told me that he was going there, but I never saw him there.

Q. Was not General Schenck out of the country, in Paris, at the t of this subscription for the allotted stock?—A. Yes, sir; he was Paris, I understood, visiting General Washburne.

Q. About that time?—A. Yes, sir; when the 500-share lot was applied for—the second application.

Q. Did you observe the date of the subscription on the paper?—A. Yes, sir; the date was either the 5th or 6th (I should say) of April, 1872.

Q. I do not mean the date of the application, but I mean the date on which he handed it in?—A. I do not now remember the date.

Q. Do you know, then, whether the whole of that paper was or was not in the handwriting of Mr. Park?—A. I do not believe that I noticed it enough to state.

Q. For anything you know to the contrary, it may have all been in the handwriting of Mr. Park?—A. It was a printed document, such as you will find on the back of the prospectus here.

Q. A printed blank filled in?—A. Yes, sir.

By Mr. SPRINGER:

Q. These were shares to be allotted?—A. An application for shares to be allotted.

Q. Under an agreement that they were to be allotted?—A. General Schenck's testimony shows that there were 300 shares allotted on that application.

By Mr. PACKER:

Q. I ask whether you know?—A. No, sir; as I said before, I could not swear that that was General Schenck's signature. I never saw him write his name.

By Mr. FAULKNER:

Q. Could you give us any idea of the condition and activity of the sales of that stock from November 28th to the 6th of December, and from that to the 12th of January?—A. Of the condition of the market?

Q. Yes; and of the active efforts made to dispose of that stock. Have you any particular facts bearing upon the movements of these parties between the 28th November and the 6th of December, and from that time on to the 12th of January?—A. It will be understood that 25,000 shares of that stock were sold immediately on application.

Q. Do you remember what day that was?—A. It was on the 9th of November that the offer of one-half of the stock was made to the British public.

Q. But I am now speaking of the time from the 28th of November.—A. You are now speaking of the balance—what is called the vendors' shares—that were unsold to the British public.

Q. Yes; say from the 28th November to the 6th of December, was there any activity in the movements of these parties to effect sales during that time?—A. I did not discover anything in particular. I do not know that I discovered any extraordinary activity. The stock rather declined soon after General Schenck's resignation.

Q. But I want to call your attention to the fact that this was before his resignation was known. It was, as we understand, on the 28th that he was directed by the State Department to resign as a director in that company; that he did not do so until the 6th of December following, and the resignation was not made public until the 12th of January following that.—A. I will state to you what my knowledge is on that subject. Mr. Park and Mr. Stewart represented to me that 5,000 shares, or about that number of shares, would probably seek the Stock Exchange for a market out of the first lot that had been sold to the English public, and they would necessarily be obliged to buy back a large portion of

these shares in order to sustain the market until such times as the shares were alloted to the different parties applying for them. Should the prospectus get to the English public on the 9th it might be that the books would be closed up in four or five or six days, and it is customary, or has been of late years, and was about the time I was over there, to pay a premium at the Stock Exchange for the shares that were allotted to the public. For instance, this stock was £22 per share when I arrived there. It was to stimulate parties to pay up on the subscription that they were advanced to 22¼ and 22½, and were gradually rising in price. If parties did not pay up and get their stock, they could not sell it on the Stock Exchange; but they wanted sometimes to avail themselves of this premium, and they would hurry up to pay their subscription. They said they would have to buy back about 5,000 shares to sustain the stock on the Stock Exchange until they got an allotment to the public. During this time they stated to me that they had bought and were buying, and they thought they would have to take about 5,000 shares; they would have to resell those to the public in order to make them available, at the price at which they were originally subscribed for. It would be necessary to do a considerable business, making fictitious purchases and sales. I think Mr. Fisher was considerably engaged in the business for Mr. Park. I never bought or sold a share of stock for Mr. Park, and he never asked me to.

Q. Are there any facts, within your knowledge, connected with the operations of that company that would account, to your mind, for the fact that General Schenck delayed his resignation from the directory for one week and withheld it from the public for more than a month?—A. I do not recollect myself about the resignation being withheld. I have heard so since I came here. It has been so stated by the chairman or some one.

Q. Could you discover anything in the movements of those parties and in the conditions of the sales of the stock that would account for an act of that kind?—A. No, sir; I cannot now say that I can distinctly point to a single circumstance. I can very readily see that it would be an inducement to keep it from the public.

Q. What would that inducement be?—A. It was a very delicate question with Mr. Park. I know Mr. Park very much regretted the withdrawal of General Schenck; I recollect it very well.

By Mr. SPRINGER:

Q. Why?—A. On account of his influence, of course.

Q. Was the stock at all depressed at that time?—A. The stock was soon afterward depressed; it became depressd after the resignation, and even went down to a point as low as £14 a share.

By Mr. PACKER:

Q. It was selling at £24 a share on the 6th of January, according to your testimony?—A. No, sir; excuse me; let me correct you. My testimony was that it was £24 a share on the 6th day of April, following the receipt of that long telegram from Professor Silliman; but it went down to £14 previous to this; and after they got the report signed by Professor Silliman, and Mr. Stewart, and Mr. Willyams together, a joint report, then the stock took a rally to £24.

By Mr. SPRINGER:

Q. Do you know how the stock was quoted in the latter part of November and the first part of December?—A. I should say it was £20; 22 or 23, I now think; I do not know but it was higher than that.

Q. When was it that it got down to £16, if you know?—A. It went down to 14. The first time it fell to 14, I think, was in the month of January.

Q. Before his resignation was published, or after?—A. No, sir; after it was published.

By Mr. FAULKNER:

Q. When was the first knowledge you had of his having resigned his position as director in London?—A. Some days before the 1st of December. I saw the first notice to the chairman which was sent to Mr. Park, and I saw the other one soon after the 6th, and it might have been the 12th I saw that. I do not now recollect the date that Mr. Park showed it to me; but it was in his hands and had not gone to the board.

Q. When was it generally known as a fact in London that he had resigned?—A. I cannot say that.

Q. Was it known as a fact on the streets before this publication in the Times?—A. I did not know that until I saw it. It was about the 1st of December, I should think, when I first knew of it, and then it was not generally known.

By Mr. PACKER:

Q. You say you knew it the 1st of December; how soon after that was it generally known?—A. It was generally known after the 6th some time. I cannot tell.

Q. A few days after the 6th?—A. Yes, sir; I should say so; I do not know how many days. I might have seen it on the 12th of December, or the 10th, or even the 14th; I might have seen it then for the first time; I do not recollect. I do not recollect Mr. Park's withholding it from the public.

By Mr. SPRINGER:

Q. How long were you in London altogether during that visit?—A. I was there two years or over—two and a half years.

Q. How long were you in London after the collapse of the Emma Mining Company?—A. Two years.

Q. Did you have frequent conversations with the British public, the capitalists there, and note the effect on the public mind of the collapse of this mining company?—A. Yes, sir; I think so.

Q. I will ask you whether the fact of its disastrous result depressed other American securities in that country and caused any want of confidence in other investments?—A. I should say that it did; yes, sir.

Q. State whether, so far as you know, the feeling of want of confidence in American investments caused capitalists to return American securities to this country to be realized upon.—A. I do not know to what extent. I only speak of it in a general way, that when other schemes and properties were offered for sale this question would come up, and they would say, "Your minister indorsed this mine; what can we rely on with you Americans? If we send a man out there to look at a property you buy him, and what can we do?" That was a stereotyped expression of people in London. I heard that on a great many occasions. Mr. Puleston told me he very much regretted the use of their name, and that Mr. Jay Cooke had written a letter to them saying that he was very sorry that they had connected their name with it, and that he would rather have given $250,000 than have their names associated with it, as they were the fiscal agents of the United States Government, engaged in dealing in Government bonds; and he also said that, in ref-

erence to the Northern Pacific Railroad securities, it was very impoli for them to lend their names to any mining scheme. Mr. Puleston tc me this.

Q. Did you ever see that letter?—A. No, sir. Mr. Puleston w complaining to me of the very small sum of money that they got for t use of their names—$125,000, or £25,000. He said they were bac treated, and ought to have had a very much larger sum.

Q. Did he state that that affected the securities of the Northern I cific Railroad in any way?—A. Well, he said Jay Cooke referred to as being an injury to that house to bring out a mining scheme, or to c nect their names with it.

Q. It damaged the credit of that house in England?—A. That w the idea he conveyed to me; that it would do them an injury.

By Mr. PACKER:

Q. When you speak of the British public, whom do you mean?—A. mean people dealing in speculative enterprises, and those who naturall subscribed for foreign speculations; properties that are offered in ma ket; investors as well as speculators.

Q. Do you mean the stock-board?—A. No, sir; I do not mean th stock-board; I mean the public outside of the stock-board.

Q. Can you name any of them?—A. I cannot just now call to min perhaps, any one.

Q. You cannot name any of those whom you heard complain?—A. do not now remember. I know it was a question that had to be m quite often, a good many times a day.

Q. In looking over your testimony in reference to the removal Judge McKean, you said that your attorneys had asked for his rem val?—A. Yes, sir.

Q. Whom did you include?—A. William M. Stewart.

Q. Do you know whether Senator Morton asked for his removal?- A. That I do not know.

By Mr. PACKER:

Q. You say in your testimony taken the other day, "Myself and atto neys attempted to get Judge McKean removed for the reason that h was engaged in trying a case in his own court, one of the parties bein a company in which he was president and a large shareholder."—A Yes, sir.

Q. To whom do you refer when you use the word "attorneys" as a tempting to get Judge McKean removed?—A. Mr. Hempstead, of Sal Lake City, was one of my attorneys; Mr. Stewart was another. M Hillyer, now of Washington, was one of my attorneys on that occasio and he aided very materially in getting McKean removed. Noah Davi of New York, was merely counseling with me as an old friend.

Q. When you used the word "attorneys," did you intend to inclu Governor Morton, of Indiana?—A. No, sir; I did not.

Q. Did Governor Morton take any steps in that connection?—A. N sir; not that I know of. I do not know of his taking any steps whatev

Q. Did he in any matter act as your attorney?—A. No, sir; not any matter.

Q. Not in connection with this mine, nor your interest in it?—A. N sir; in no way, shape, or form did he do anything.

Q. Did you intend to state the other day that you had met Govern Morton at Salt Lake City?—A. No, sir; it was a mistake of the porter.

Q. Where was it you did meet him?—A. I met him on my way to Salt Lake City.

Q. On the Pennsylvania Railroad, in going to Indianapolis, was it?—A. It was on a railroad going to Indianapolis.

Q. From Washington?—A. I do not know whether we went from Washington or not.

Q. It was going west to Indianapolis?—A. Yes, sir. We were on our ray to Salt Lake in the same train. Senator Stewart was the first one ho brought his name to my mind.

By Mr. SPRINGER:

Q. Did you explain to him the nature of the business you were going attend to then?—A. Mr. Stewart had quite a conversation with him my presence. Mr. Stewart came to me afterward and said it was nportant to employ Senator Morton, and he asked me if he might offer im $20,000 contingent for his services.

Q. Contingent upon what?—A. Contingent on my recovering of the mma Mining Company; $20,000 of that fund.

By Mr. PACKER:

Q. That is, a contingent fee?—A. Yes, sir.

Q. For his professional services?—A. Yes, sir.

By Mr. SPRINGER:

Q. Contingent upon your succeeding in the suit in Utah?—A. Yes, r.

By Mr. PACKER:

Q. That was for professional services, was it?—A. For services; yes, r.

By Mr. SPRINGER:

Q. Was any other service than his appearance in court mentioned, hich he was to perform in consideration of this fee?—A. I should say at Mr. Stewart explained to Mr. Morton in my presence the situation things at Salt Lake generally; he gave him a general description of e state of things which existed there—the confusion in the court, and e position of things. Governor Morton was going to California, or anted to go there in a very short time, for his health. Mr. Stewart ked him how many he would have in his party. He said, I think, is wife, himself, and a servant. Mr. Stewart explained to him that e would make him very comfortable at the Townsend House, give him ood rooms, good food, and make him as comfortable as possible; and Ir. Stewart told me that he was going to get him a pass over the Cenral Pacific Railroad. I think the Senator said he could get passes ver that road and would send him a pass, or did send him one. My npression is that he did send him a pass, but I am not clear on that ubject. Senator Stewart told him that he would relieve him of the ctive duties necessarily involved in the employment.

By Mr. PACKER:

Q. In court?—A. Yes, sir; and he said that he could not confine imself or do a great deal of very hard work, something of that kind. t seemed to be satisfactory; so much so that there was no hesitation n the part of Mr. Stewart to hurry him up.

By Mr. SPRINGER:

Q. You have not quite answered my question, whether there was ther work which Senator Morton was expected to do, which he was

informed he would be required to do, than simply professional service in the court at Utah?—A. I do not now recollect the conversation o that subject any more than that, in a general way, the condition of thing there was explained to Mr. Morton. We had not attempted to remov the judge at that time, but were going out to get up the necessar papers for that purpose.

Q. Was that a portion of the things that were talked of in the pre ence of Senator Morton—that he would be expected to co-operate wi you in securing the removal of the judge?—A. This is a copy of the di patch sent to Mr. Hillyer on the occasion:

C. J. HILLYER,
23 First street, N. E., Washington, D. C.:

Will go to California in ten days; then go to Washington.

WILLIAM M. STEWART.

On the same day he sent the other telegram to Governor Morto which I previously read.

Q. State now if the question whether Judge McKean should b removed or not was mentioned in the presence of Senator Morton, b either you or Mr. Stewart, as a part of the services in which Mr. Morto was expected to co-operate with you, in consideration of this fee?—A I do not distinctly recollect the conversation. I remember it in general terms. Senator Stewart brought his name first to my mind. I had not the remotest idea of employing any other counsel.

Q. How many lawyers did you have already?—A. I had six or seven or eight. I had no idea of employing other counsel to help me in the legal part of this case, to speak frankly, and I do not think Senato Stewart had any such idea before this. I had employed these attorneys on my last case, and Curtis J. Hillyer, of Washington, was the best mining lawyer in the West, either in California, or in Nevada, or on the Pacific coast; that is, he was recommended to me as such. Mr. Stewart introduced this subject of the employment of Governor Morton to me, and said it was very essential that he should be employed. His influence with the President was named to me also as being very essential.

By Mr. WILLIAMS:

Q. Do you now understand that Senator Morton either did, or agree to do, the least thing in connection with this affair?—A. No, sir; I d not. If anything had been presented on that occasion for Mr. Morton' consideration it would have been only legal documents, to show tha Judge McKean should not remain there, for I was satisfied that Mr Morton, or any other honest man, would have taken the same course t remove him. Noah Davis had no hesitation in writing to the Presiden on that occasion.

By Mr. SPRINGER:

Q. Then I understand you to say that there were other things state to Mr. Morton which he would be expected to do in co-operating wit you in this work than the legal services at Utah?—A. I expected so my self, that he would look at the thing and see if the testimony was suffi cient and it could be done.

Q. To remove this judge?—A. Yes, sir.

By Mr. PACKER:

Q. Did you state that to Governor Morton?—A. On that occasion?

Q. Yes, sir.—A. I cannot use the exact language that was spoken t Governor Morton, only that it was done in a general way; the difficult

between the United States courts and the territorial courts was explained to him by Mr. Stewart.

By Mr. SPRINGER:

Q. Did not you and Senator Stewart, in the presence of Governor Morton, speak of your desire to have the judge removed, and of the necessity of having him removed?—A. I think we talked of that together.

Q. In the presence of Senator Morton?—A. I think we did; I think we discussed that.

Q. And that was in connection with his employment to assist you?—A. Yes, sir.

By Mr. PACKER:

Q. Was not this in the railroad-cars when they were under way?—A. Yes, sir, I think they were under way all the time.

Q. Could you hear all that was said between them?—A. Yes, sir, I think so: we were sitting together on the same seat.

The following dispatch was then read to the committee, having been just received by the chairman:

To the Chairman of the Foreign Committee,
House of Representatives, Washington:

Report of proceedings as to General Schenck's connection with Emma Mine, published in to-day's London Times, states that James E. Lyon testified that I told him I gave Senator Stewart two thousand shares to become a director and assist in getting Schenck's name on the board. This statement is absolutely untrue. I have never seen Lyon, nor had any communication with him in my life. I never gave Stewart any shares either to become director himself or to get Schenck to be a director, and give Lyon's testimony the most unqualified contradiction.

ALBERT GRANT.

By Mr. SPRINGER:

Q. State what you know about it.—A. I have never made the statement that Albert Grant gave to Mr. Stewart 2,000 shares of stock, or any other sum. I made no such statement here. Mr. Park told me he gave Mr. Stewart 2,000 shares of stock.

Testimony of Hiram A. Johnson.

WASHINGTON, *March* 1, 1876.

HIRAM A. JOHNSON sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. In New York.

Q. How long have you been residing in New York?—A. I have been residing there some thirteen successive years. I am a native of the State, but had resided in the West some years preceding the year 1863, when I returned to New York.

Q. What is your business or occupation?—A. I am a lawyer by profession, engaged in the practice in New York.

Q. You never have been engaged in any other business there?—A. Yes, I have been engaged in mining and in land speculations in the West.

Q. Are you in any way connected with this Emma Mine, so called?—A. I never had any connection with it otherwise than as the attorney of Mr. James E. Lyon.

Q. Were you a stockholder in that mine?—A. I think I did at one time have forty shares standing in my name, soon after the organization of the company in London.

Q. Do us the favor to state now if you know anything about this Emma Mine, and the connection of General Schenck with that mine, and what you do know, in general terms.—A. I will endeavor to state as succinctly as possible what I know of the Emma Mine and General Schenck's connection with it, commencing with the month of September, 1870, the time spoken of by Mr. Lyon, when he visited Utah and resumed his connection with the mine. Mr. Lyon, after being in Salt Lake some time corresponding with me by letter, sent me a telegram requesting my presence, as his attorney, at Salt Lake City. I left New York, as I now remember, in the early days of September, 1870, and went directly to Salt Lake, and as the attorney of Mr. Lyon commenced litigation in the courts of Utah that subsequently resulted in the employment of Senator Stewart, as spoken of by Mr. Lyon. I spent some two months in uninterrupted work in commencing and prosecuting actions in the courts of Utah; proceedings having transpired there during my connection substantially as narrated by Mr. Lyon. Previous to my going to Utah I had made arrangements to visit Europe in the late autumn or early winter following. I made Mr. Lyon acquainted with that fact, and he consented that I should cease my active connection with the work of conducting these suits, and I knew very little of what was transpiring in Salt Lake from late in November, when I went there, until I went to London, except as we had interchanged letters with Mr. Hempstead, Mr. Lyon's resident attorney at Salt Lake City. I was acquainted with the general status of the actions, but had no actual connection with them except by correspondence. I think on the 8th of February, 1871, I sailed for London. I continued during my absence to correspond with Mr. Lyon until the autumn of 1871, say in November. I met him in London on the day that he arrived there. Some time previous to the arrival of Mr. Lyon in London, Senator William M. Stewart called upon me, and presented a letter of introduction from Mr. Lyon. I had never known Mr. Stewart personally prior to that time. Mr. Lyon advised me in this letter that Mr. Stewart and Mr. Park were about to visit London for the purpose of organizing a company on the Emma Silver-Mine that had been the subject of litigation in Utah. I had previously learned that Mr. Stewart was acting as the attorney of Mr. Lyon. The immediate object of Mr. Stewart's calling upon me at that time, as he signified, was to obtain some money on a letter of credit which he held from Mr. Lyon. He asked me if I knew the whereabouts of the party on whom the letter was drawn, and a Mr. Moffat, cashier of the First National Bank of Denver, Colorado, who was there at the time. I told him I did know of the gentleman and knew his whereabouts, and I went and introduced him to Mr. Moffat who gave him £200, which Mr. Stewart said he required to defray his current expenses. Mr. Stewart at that interview, and on one or two subsequent interviews that I had with him following in close succession, covering a period of two or three weeks succeeding his arrival in London, told me that he and Mr. Park were desirous to sell this property, and had come to London for that purpose, and asked me of my knowledge of the market and the chances for dealing in property of that kind, what I thought could be done. I told him that I thought the market was very indifferent for the sale of that kind of property in London at that time. In view of some failures that I had known of endeavors that American gentlemen had made to sell that class of property, I told him I thought it would be extremely difficult. He then told me of the large shipments of ores that had been made from time to time from this mine and the respectability of the gentlemen connected with it as vendors; he not then

considering himself one; and thought that this mine could be sold though others had failed. At the first interview, or at a subsequent interview, I had with him I told him that I understood that this mine had proved to be a "pocket," as in mineralogy we term a mere deposit of ore as distinguished from a true fissure-vein. I told him I had received letters and reports from the United States which induced me to believe that the mine had essentially given out—essentially failed to show the richness in mineral that had been anticipated by the owners. Whether this conversation occurred at the first or at the second or third interview that I had with him I am unable to state. The date of that interview was, I should say, in the last days of August, 1871, possibly as late as September, but as I well recollect it was only a day or two succeeding the arrival of Mr. Park and Mr. Stewart in London. He said that he thought the mine was not as rich as had been anticipated, and asked me if any evidence or publicity of this report had transpired, to my knowledge, in London. I told him that I had a paper, which I remember was the Central City Register, published in Colorado, that contained a reprint of the letter of Prof. Rossiter W. Raymond, spoken of by Mr. Lyon, who had visited the mine in July previous and had communicated this letter to his paper in New York, the Mining Journal. I told him I had that, and he asked me to get it and show it to him, which I promised to do. I gave him the contents of this letter, or report, by Professor Raymond; told him that he had spoken of the mine in the most disparaging terms; that it was a mere pocket and liable to give out at any moment, and I assured him that from what I knew of the English standard of mining I did not believe it was possible to pass such a mine as the Emma Mine was, under the favorable observation of such a mining engineer or expert as would be sent out to examine it. I told him I thought it would be quite impossible to sell a mine in that condition. Subsequently I either handed this report to Mr. Stewart or transmitted it to him through the mail; I am not quite certain in which way I gave it to him. I know that he got it, because at a subsequent interview he, having received the paper either from me or through the mail, made it the subject of conversation between us, in which he conceded the probabilities that Professor Raymond's report might be true, but that the mine was in such condition that all the facts that Professor Raymond had stated bearing upon the permanency of the mine might be overlooked by some one who might go to examine it, and he asked me if I supposed there were other reports of that kind in London. I told him I had seen no others than this. He asked me if I would permit him to retain this report. I told him I would; that I had no objection to his retaining it. We further discussed the probability of his success in selling this property, and I told him it would be utterly impossible to sell it unless he and Park coupled themselves with it in the direction and as vendors. That he said he would not do; that he would not act either as a vendor in selling the property or as a director in the subsequent management of the property should it be sold; that he should be very slow, knowing as he did the uncertainties of mining at the best, to couple himself in his position with the sale of any mine; much less that of the Emma. In all the interviews that I had with Mr. Stewart the sale of this mine was the general subject of conversation, and in all those interviews I assured him of the improbability of his and Park being able to effect the sale. About the time of the last general interview that I had with Mr. Stewart I received a letter from Mr. Lyon, more especially requesting me to observe what transpired in London in connection with the proposed sale

of this property. I accordingly called on Mr. Stewart and found him i an indifferent mood of conversation with respect to the property. E said that he was making some progress, but he had become reticen since the last general interview that I had with him, and I think I wro to Lyon that he had better come to London and look after his own inte ests; that as my powers were small, advisory and not peremptory, could do him little or no good in London, and I thought his interest demanded his presence there. Some three or four weeks after the arriva of these gentlemen in London, and after what I have stated had transpired between Mr. Stewart and myself, intimations appeared in the public prints that a company was about to be organized in London for the purchase of this property, and finally it was announced in stock-dealing circles in the city, not in the public prints that I am aware of, that a company was about to be organized, and that the scheme of selling the shares was to be managed by a very notorious resident of London, now known by the name of Albert Grant.

By Mr. SPRINGER:

Q. Was he ever known by any other name?—A. O, yes. His name is Gotheimer, as he was christened. It was likewise intimated and understood that this mine was to be sold for a very large price, but as I now remember no specific sum was named. Following this general rumor that a company was to be organized and the property to be sold to the company, was a rumor that General Schenck, among other persons, was to be associated in the directory of this proposed company. I should say that this rumor was first heard about a week preceding the announcement of the organization, which was on the 9th of November.

By Mr. HEWITT:

Q. You think it was a week in advance of that?—A. About a week.

Q. Was it prior to the 1st of November?—A. Yes, sir, it was prior to or about the 1st of November, 1871. That rumor had its origin, as best I could ascertain at that time, in the city, but it had its greatest circulation and discussion at and about the Langham Hotel, at the West End, where Americans who were temporarily or permanently in the city were residing. It was very flatly contradicted by the grea majority of the American residents in London. They regarded it as a rumor that traduced the American name, and as one putting in jeopardy the reputation of our people, and especially of our Government, and i was universally denied that such a thing could be possible that Ge eral Schenck, our minister at the Court of St. James, would conse under the circumstances, on any inducement that could be offered, t couple himself with the sale of this mine, however good or however ba it might be. It was so generally disbelived that it had ceased to exci any further attention until it was officially announced by fifty thousan circulars that were sent out, as I was told, in a single day, from th office of this notorious manipulator Albert Grant. These fifty thousan prospectuses were sent to as many persons residing in different parts o the United Kingdom. I saw papers of contemporaneous date, publishe in Glasgow, Edinburgh, Dublin, and in London and other parts o England, which contained substantially the statements put forth in th prospectus which you have in evidence here.

By Mr. SPRINGER:

Q. Was this prospectus put in the advertising columns of th London papers at the same time?—A. Yes, sir; in the Times, as th

esult of the intimate relations that subsisted between Mr. Sampson, the inancial editor of the Times, and Albert Grant, as they have subsenently transpired, resulting in the dismissal of Sampson from the Times; nd as the result of Grant's relations with other papers in the city of ondon, induced by liberal pay, as was asserted and understood. I ink that, with one or two exceptions, the criticisms of the press were ivorable. In other words, they were not criticisms disparaging the ale of this property, or, for the time being, the connection of General chenck with the company as a director. There is one fact that was oticeable to me, and it will be to you in reading this prospectus, which I ave heard pronounced the greatest man-catcher of the age, that the name f Albert Grant, the promoter of the scheme, the author of the prospectus stensibly, and the man who managed the whole thing—grouped together ese directors, suggested the necessity, as I have been told, of General chenck's connection with the property, gave to the prospectus in its raught and presentation its official cast, giving the name of William M. tewart as a United States Senator, and the name of General Robert C. chenck as the minister to England—you will observe that the name of rant does not transpire, and did not transpire by any announcement of e press, by any paper that was put forth to secure this capital. The ason of that is obvious to the mind of any gentleman who ever visited ondon and had anything to do with that city in its financial circles within e last five or, I may say, ten years. I may say without fear of contraction from Mr. Albert Grant himself, were he here, that his name is so isreputable in financial circles that, notwithstanding the fact that General Schenck's name was attached to this prospectus as director, if it ad been known in London and in England that Mr. Albert Grant was e projector of this scheme, that it was he who launched it and brought before the public, the subscriptions would not have been secured. merican residents in London were not only surprised that General chenck should have coupled himself with this scheme with Mr. Stewt and Mr. Park and Mr. Baxter, and with English gentlemen who ere named on the directory, but they were more astonished that he ould suffer his name to have been coupled with the scheme at the botm of which lay this man Albert Grant, because his reputation was notorious in his past dealings with the English public that it had ecessitated on his part a change of his name and an enforced retireent to the Continent for a time, as the result of the panic of 1866 and e developments that followed. He had succeeded in making himself member of Parliament, and was so thoroughly tabooed that he had to tire from that position.

By Mr. HEWITT:

Q. Previous to this?—A. Previous to this. He has since been elected member from Kidderminster, and secured his election by such corrupt eans that he was not permitted to take his seat. This last was since e Emma Mine affair, but all the rest was before.

By Mr. SPRINGER:

Q. Were these the "English gentlemen of the highest reputation" whose assistance General Schenck came when he became a director?—Yes, sir. I will state that after Mr. Lyon arrived in London we ere in daily communication. While he had interests in this property moneys to receive from these men, in view of my past and then exing relations with Lyon, it would have been utterly impossible for me have made any demonstrations against the proposed sale of this operty, having been, and then still being, his attorney, which I other-

wise would have done, and was anxious to do. There was another reason which I had to take into consideration in determining how or whether I could arrest the perpetration of this fraud upon the British public and that was whether I had or could have in my possession that kind of palpable and positive proof that would render successful any efforts that I might make against this combination that had been formed by men of high position. But as soon as I was assured that it would be proper for me to demonstrate against the consummation of this fraud, I availed myself of the earliest opportunity to do so, which I will explain briefly. Mr. Stewart came to New York holding a power of attorney from Mr. Park authorizing him to deal with the American shareholders in the Emma Silver-Mining Company of New York for the interest that they held that had been turned over, and the Silver-Mining Company, limited, of London, in the remaining 25,000 shares of that company that, at that time, remained unsold; and on coming over here he purchased the shares as the attorney of Park, as narrated by Lyon. The contract of purchase which Park, through his attorney, Stewart, entered into with these parties, was by due course of mail returned from New York to London to Park; Stewart coming on to Washington to take his seat in the United States Senate after having consummated the bargain, and the contract was borrowed, as narrated by Lyon, from Mr. Irwin Davis, who received it from the hands of Park, and I was put in possession of a copy of it. I printed a copy of that contract. I got a list of all the shareholders, 1,600, I think, in number at that time, scattered all over the United Kingdom, consisting of retired army officers, clergymen of the established church, spinsters, and various persons of various occupations, holding from two shares up to five hundred. I think that was the largest amount that I found, except as to Park and Stewart, at that time. I don't remember definitely the number that still remained in them at that time. I wrote a circular-announcement that this was a copy of the contract that had been made by Stewart in New York, as the attorney of Park, to show shareholders that these shares, when they were selling in London at £22, were being bought by the ostensible vendors at $50, United States currency, per share. That is, they were $110 in gold in London in an open, notorious market, quoted every day in the public prints of the city, and being bought in New York from intelligent men, bankers, merchants, including General H. H. Baxter, one of the directors in London, for $50 currency per share. I sent out a copy of this contract with my circular to every shareholder, with as much expedition as was possible, following the next day or the day after the receipt of this copy of the contract. At this time no part of the 25,000 shares had been sold, and a very considerable portion that had been received on the 25,000 shares was yet to be paid—I won't say a very considerable portion, but a portion of it remained unpaid. About this time I was dining with a solicitor in London at his club, the Thatched House Club in St. James street, and I narrated all that had occurred, and all I knew about this property, substantially as Mr. Lyon has stated, and as I have stated, and he asked me if I would be willing to allow some friends to be present, English gentlemen that were on call, and whether I would be willing to make the same statement to them, or to make it in their presence. I said I would. He called them in, and I made this statement touching the condition of the property, the manner in which it had been presented to the British public, the manner of its examination by Professor Silliman, and everything appertaining to the mine, and its condition as I then understood it.

He then inquired of me, after having stated that Mr. Lee Pemberton, member of Parliament, was a personal friend of his, he being one of the directors of this Emma Silver-Mining Company, (Mr. Anderson he knew likewise)—he asked me if I would consent to meet those gentlemen and make a statement to them, substantially as I had made it to him, respecting the condition of this mine. I told him I would; that I would be very happy to do so. He said he would see if he could make the appointment, and let me know. He did make the appointment to meet Mr. Pemberton and Mr. George Anderson, chairman of the board of directors, at Pemberton's chambers in Lincoln's Inn. At the appointed time I met these gentlemen, and recited to them, in an interview of some two hours' duration, all that had transpired within my observation and much that I knew through Mr. Lyon and through Mr. Irwin Davis, pertaining to the condition of this property and to the various ways, devices, and means that had been set in motion to put the stock off upon the British public. This interview with these gentlemen was, I think, during the month of March, 1872. I know it was some days or weeks previous to the announcement of the sale of the 8,500 shares which were subsequently offered by subscription, as narrated by Mr. Lyon. They expressed themselves as very much surprised and impressed with the facts that I had stated, and asked me what evidence I had in London to support all these various propositions, among which was the fact that Albert Grant had received £100,000 to float this scheme; that there was a report that Professor Silliman had received £5,000 to go out and examine this mine and make the original report, and that the contract was such with the professor that, if the property was not sold, this £5,000 was to be his final compensation; but if it was sold, he was to have a further compensation of £4,000. I then also told them that the house of Jay Cooke, McCulloch & Co. were to receive £25,000 for their remote connection with this company—Mr. Puleston being simply a trustee to pass the title, and a director for the time being; and the only connection that the house of Jay Cooke, McCulloch & Co. had with the matter on the face of the paper, being that they had suffered Mr. Puleston, one of the members of their firm, to associate his name with the company in those several capacities. These gentlemen expressed themselves as very much astonished at all this, and asked me what evidence I could give them.

Q. Did you mention Mr. Schenck's name at that time?—A. Yes, sir; I mentioned that, and said that there was a rumor that he had received five hundred shares for nothing; that that stock was given him by the vendors to induce him to associate his name with the company as a director; and I remember very distinctly that I criticised the position that General Schenck had occupied, saying that it was in derogation of the privileges and immunities which are accorded to foreign ambassadors, and asked them what they thought; and they said they thought it was irregular, and that it had excited some surprise on their part when General Schenck consented to become a director. They were both members of Parliament, and thoroughly conversant with the amenities and immunities of diplomatic life, and comprehended all this question as well as any gentlemen. They said that that fact was a matter of great surprise to them, and the further fact that the report of Professor Silliman was cabled over, as they subsequently ascertained. They thought it had shown extraordinary haste to bring this scheme before the British public. They asked me what evidence I had, and I referred them to Mr. James E. Lyon and Mr. Irwin Davis, and vouched for the respectability and veracity of these gentlemen, and furthermore assured

them that all the facts in this case would be supported and corroborat by documentary evidence about which there could be no question.

By the CHAIRMAN:

Q. Did you give any greater publicity to this statement at the time than what you said in your interviews with these gentlemen?—A. I think perhaps my statement was more in detail than I have given it here.

Q. But you made no publication?—A. Yes, sir; I had sent a circular previously, containing substantially these facts. Mr. Anderson asked what I would do if I were in his place. He said, "Here we are; we are involved in this scheme; if it turns out as you indicate it will ruin all o us." I said I comprehended the delicacy of his position, and realized the responsibility and results that might accompany any action the might determine upon; that it ought to be done with the utmost car and consideration. I said, "You are a barrister, Mr. Pemberton, an I am a stranger in London, not conversant with your laws, but I were the solicitor of the Emma Mining Company I should advisewha to do." Said he, "What would you do, Mr. Johnson?" Placing m hands on Mr. Anderson's shoulder I said, "I would put the strong ar of the law on Mr. Park; he is still in London, and he never should qu this island until he had surrendered the money that he has robb d you associate shareholders out of;" and knowing the timidity of Mr. Park i the position that he occupied at that time, (I had a mirror behind hi that reflected all his movements,) I warned them if they intended t retain any portion of the money that he had already secured, and wa about to secure, that they would be required to take efficient means t detain him, and prevent any further cabling of money to New York. knew that the funds were being cabled as fast as received As fast a the money was paid up on those subscriptions it was transferred by cab dispatches to New York, which indicated to me the greatest possib haste to place it beyond the jurisdiction of the English courts. Befo we parted, the gentlemen thanked me very kindly for the informatic that I had given them and wished me to give them my address i the city where I would be found, and the number of my apartmen where I could be found evenings or mornings or during the nigh and said that I should hear further from them; that they woul advise with their solicitor and determine what steps should be take I kept myself for, I should say, a week succeeding this interview within call of these gentlemen; remaining as much as was convenien at my place in the city and at my apartments at the West End, bu received no intimations from them as I certainly expected, and the determined that, so far as was in my power, I would transmit t the shareholders further facts that had come to my knowledge, suc as the caving of the mine, and other information that had transpired i the correspondence of Mr. Lyon with Salt Lake City, and the co respondence that I had had, and issued another circular; a series c circulars that I likewise sent out to the shareholders, and, finally, for day or two days, as a result of a cablegram that Park sent over fro New York that was published in the Standard, I was permitted acces to the money-columns in a limited way to express some facts that we immediately in connection with the then occurring transactions pertai ing to the sale of this mine, and the condition of the mine in Utal Mr. Park having left Londen some three weeks after the interview th I had with his associates, and having received one of the circulars th I had issued to the shareholders, he cabled over to London to pay r attention to my circular, that it was a tissue of falsehoods.

By Mr. SPRINGER:

Q. You say you had no further interview with Pemberton and Ander-
n; didn't you have an engagement to meet them at the House of
rliament with Mr. Lyon?—A. I had an engagement, that I think was
de at this interview, for Mr. Anderson to meet Mr. Lyon at the House
Parliament, and the time and place were definitely named, and I
d him I would secure Mr. Lyon's presence there if possible. Mr. Lyon
I went to keep this engagement with Mr. Anderson, and he failed
ppear, and sent no excuse or apology for failing to keep the engage-
t. There is one important fact connected with the conversation that
d with Senator Stewart that I wish to mention. At the second in-
iew that I had with him, as I now remember, being one of the inter-
rs at which we considered the report of Professor Raymond on the
ma Mine, and also the probability of his being able to sell the mine,
marked to him that it would be impossible to get a report from an
glish expert or mining-engineer of such a character as would induce
British public to apply for the shares of this mine or the sale of
property. He said, "We are not going to have it examined by an
glish engineer." I said to him, "The parties will insist upon sending
their own engineer; the directors will insist on examining this prop-
independently, and you will be forced to do it." Said he, "We
l not consent to do it. If we sell the mine, Professor Silliman will
elected to make the examination. We shall couple our proposal for
sale of the property with the proposition that Professor Silliman
ll go to examine the property, and we will not consent to sell it un-
he is selected to make that examination." He said he knew Pro-
or Silliman and could trust him to make the examination. All the
s that have been narrated by Mr. Lyon as events that transpired in
ndon, from the time of his arrival in London until October 22, 1872,
he main, transpired under my observation, and were made the sub-
s of constant and daily conversation between him and myself, as
was a matter that engrossed our attention. I believe what I have
ted is about all that I now recollect that would seem to be pertinent
his inquiry.

By Mr. HEWITT:

Q. Did you come in contact with General Schenck at any time?—A.
s, sir; I paid my respects to General Schenck when he arrived in
ndon, and was once or twice at the American legation afterward.

Q. Did you ever have any conversation with him in reference to the
ma Mine?—A. Never. I was very anxious to have seen him, but I
red that my position was such that what I might suggest or say to
would not weigh against the representations that had been made by
associates. But I now have a firm conviction in my mind that I
uld have seen General Schenck and warned him against connecting
nself with this company, and given to him the utmost facts as I pos-
sed them, had I supposed that it was possible that he would connect
nself with the company. I would have done it in advance, but I had
t that intimate relation with General Schenck nor that intimate
owledge of him that would have justified me in calling on him and
suming that it was necessary for me to warn him against the perils
the position that it had been rumored he was about to occupy. I was
cked, if I may use that term, when it was announced officially that
was a director of that company. I had not supposed that it was pos-
le that a man of his intelligence, a man clothed with the powers and
nity that his position had clothed him with and elevated him up to,

could have consented for a moment to have entertained a proposition of business in London, especially as he was surrounded by court influences that are hostile, so absolutely hostile, to an undertaking of that kind—I mean in diplomatic circles in London, where the etiquette of court society is as well understood and administered as anywhere in the world. I should have thought I was presuming beyond what was proper to have gone there, comparatively a stranger to General Schenck, and suggested to him that I had understood and had feared that he was about connecting himself with this company.

By Mr. SPRINGER:

Q. Did you see any of these lists of expenses to be paid to float this mine at the time they were presented to Mr. Lyon?—A. I saw them in an itemized form as Mr. Lyon penciled them to me. Not at that time immediately, but while I was in London.

Q. All those items corresponded with those that he has stated?—A. O, yes; they were as well understood by me then as now.

Q. From whom did you get your information that General Schenck had received his stock as a gratuity?—A. I received it first from Mr. Lyon; I presumed it before.

Q. From whom did you receive it afterward?—A. I never received it in the form of definite information.

Q. Did you get information of that kind from Mr. Stewart or Mr. Park?—A. No; I never spoke to Mr. Park—never had any acquaintance with him. I never saw Senator Stewart after this company was organized.

Q. You were acting as Mr. Lyon's attorney while you were in London?—A. Yes; although I was not there specially in that capacity, I was sustaining that relation to Mr. Lyon at that time.

By Mr. HEWITT:

Q. Did you hear of any failure to sell this mine prior to the last negotiation?—A. Yes, sir.

Q. What was that?—A. There was a firm there of the name of Coates & Hankey, who were first in communication with Mr. Park and Mr. Stewart in relation to the sale of this property. They undertook to sell the property, and I think the examination of the property by Professor Silliman was suggested and, perhaps, instigated through this firm of Coates & Hankey. I know that Mr. Stewart, in one of the interviews, told me that the negotiation had begun.

Q. Was any suggestion made, pending this early negotiation, as to the use of General Schenck's name that you ever heard?—A. No; I never heard it stated until it was rumored as I have stated.

Q. Never until the Albert Grant negotiation?—A. No; I think not. I stated in one of my circulars that there was but one man in the world that had the audacity to suggest the connection of our minister with the sale of this property, and that was Albert Grant; and that there was but one man in the world who would have the cheek to go to General Schenck and ask him to be so associated, and that was Mr. Stewart; and I still adhere to that conclusion.

WASHINGTON, D. C., *March* 9, 1876.

Testimony of Prof. B. Silliman.

By the CHAIRMAN:

)uestion. Where is your present residence?—Answer. I reside in r Haven.

. Are you still connected with the collegiate institution there as a essor?—A. Yes, sir; I am professor of chemistry in Yale College.

Have you been in New York for any considerable length of time? . I have frequent calls there, and am there quite frequently, but not resident.

When did you first become acquainted with the present minister ngland, Mr. Schenck?—A. That is an honor, sir, that I have not enjoyed. I have never met him personally, and have never exged any communication with him in any form.

By whom were you employed to examine scientifically and report the Emma Mine in Utah?—A. I was employed for the purchasers e mine by General Henry H. Baxter, of New York City.

Had you known him before?—A. No, sir; I never met him before interview.

Do you know what his connection with the mine was?—A. I had formation whatever, more than that he represented the interests e purchasers of the property, who desired information respecting alue.

What time did this interview take place?—A. About the close of ember, 1871.

State, if you please, your connection with that transaction, and as far as practicable all the details of your investigation, and the ts you arrived at therefrom.

I was requested, about the close of September, 1871, to visit an ine the Emma Mine in Utah. I was informed that the mine ha dy been sold in London; that I had been selected by the purchaso examine the property, and that my report was for their better mation; that they wished to obtain from a disinterested party an nination and statement as to the nature of the mine, the character s ores, their extent, and development, the geological position of the , and its probable continuance in depth and extent.

his communication was made to me, in a personal interview in New , by General H. H. Baxter, whom I then met for the first time. nformed me that, while I had been selected for this duty by the lish purchasers, he was instructed to say on behalf of the vendors, were to pay the expenses of the investigation, that my compensafor this proposed service, and for whatever additional demands my time might arise from it, should be liberal, and to my entire sfaction. He invited me, in fact, to name my own terms. I replied before I could entertain any proposition whatever respecting such ngagement, I must obtain assistance in the discharge of my autumnal es, just then commenced. This I was enabled to do after a little y, and signified my willingness to undertake the proposed investion. I was then further informed that Mr. James M. Selover, of r York, whom I had known for some years, and who was familiar the mining-districts of Utah and had carefully examined the Emma e, would accompany me to Utah; that he was empowered to act for eral Baxter, would accept and transmit my written report, and pay the same as agreed.

In accordance with this arrangement I proceeded, on the 4th of October, to Salt Lake City and the Little Cottonwood Cañon, made the examination, collected all the data at command, and prepared the report, which, as I was instructed, was addressed to Messrs. Coates & Hankey, London, on the 16th of October, 1871, from Salt Lake City. The press-copy of this paper is now presented, as also the London imprint of same. (See Exhibit 1.) [Exhibit No. 1 is the report of Professor Silliman, printed on pp. 18, 19, 20, and 21 of James E. Lyon's testimony before this committee.] The statement that I was induced by a bribe of a large sum of money, to be paid to me contingent on the sale of the Emma mine in London, to render a base and dishonest report, is false in every particular. My compensation was not contingent upon the sale of the mine; my judgment was left to its own exercise, in view of the facts as I might find them, irrespective of any question of compensation whatever; nor was I moved by any consideration but my own judgment of what was proper and equitable in naming the terms of the agreement upon which my compensation was fixed, and which, as named by me, were accepted without qualifications by the vendors. The terms I proposed were as follows, viz, $5,000 to be paid to me in advance, as a guarantee and without recourse (I meant recourse, in the event of any accident or disaster of any kind befalling me, which would prevent me from complying with my agreement; such, for instance, as an accident on the railroad or any similar unlooked-for hinderance).

After completing the work and rendering the report, I was to be paid not less than ten thousand nor more than twenty thousand dollars in addition, depending on the estimate I might form of the value of the service. The amount which I actually received soon after my return to New York was $10,000; and it was then further agreed that inasmuch as additional services were likely to be required, not only in connection with this mine, but in other and distant places, in the event of rendering these various services, I should be paid an additional sum not exceeding $25,000 in all, including the amounts already paid. Such further services were subsequently required, including a second visit to the mine in midwinter, and covering a period of several months and arduous journeys of many thousand miles, embracing the examination of a large number of mines, besides the Emma, very widely separated from each other, in various parts of Utah and California. This tour of duty, with the requisite professional work it entailed, ran far into the middle of the year 1872. An equitable division of my total compensation among all the items of work embraced in these six or eight months of intense engrossment, including, as I have intimated, journeys involving no small exposure of life and health, would leave, for my labors in connection with the Emma Mine, no excessive compensation out of the total sum paid.

It is proper I should say that I had never seen Mr. T. W. Park, nor had I any communication with him, either direct or indirect, until long after my services with reference to the Emma Mine were closed. I knew nothing whatever of the conditions of sale of the mine, or the organization of the London Company, until I saw them in the dispatches from London, nor were any of its shares ever held by me or for my account.

I have not, to this day, the honor of General Schenck's acquaintance nor have I exchanged a word with him by correspondence.

My opinion as to the money-value of the mine was not asked by any party, nor have I, in any of my writings, named any sum as its equivalent value.

Q. You were employed to make this investigation by the vendors, and after the mine had been sold?—A. Yes, sir.

Q. At the time you were employed to make this examination of the mine you say that you had no acquaintance with General Schenck?—A. None, whatever, sir.

Q. When you first made the examination of the mine what was its condition?—A. The condition of the mine when I first examined it is very fully stated in the report which I made to Messrs. Coates and Hankey, of London, on the 16th of October, 1871, to which I have already alluded, and which is here presented to the committee. (See exhibit No. 1, printed in Lyon's testimony, p. 18, *et seq.*) And here I desire to add a statement which I hope you will regard as of some importance to me, as indicating the nature of my employment and what I believed to be my duties under my agreement to make this investigation. It is this: The main question on which my judgment as to the value of the Emma Mine depended was this, whether the ore in that mine was merely an isolated mass or pocket, disconnected with any vein or source in depth or extent, or if the deposit was likely to prove continuous. I was persuaded, as the result of my own observations, that the mine was one of exceptional richness, and that the ore-mass extended downward to a great depth. From that opinion I have seen no reason to depart, notwithstanding the extent of the bonanza from which such a large mass of rich ore has been already extracted.

Q. When you examined the mine what was the first impression made upon your mind?—A. It was one of profound surprise or amazement at the extent and richness, and unique character of the mine. I may be permitted to say that I had been familiar with the working of mines in the great Comstock lode, the richest, perhaps, at that time, (1865,) beyond comparison, of all modern mines; but I had never seen anything that was at all comparable, in the richness and abundance of the mineral deposits in view, and the apparent volume of the mass, to the Emma Mine. The question at once presented itself, "Is this an isolated mass, a detached pocket, or is it likely to prove a continuous vein of ore?" That led me to make a series of investigations which satisfied me that it had its root in depth. And here I will refer to a supplementary report made in February, 1872, to the company at London, in which this statement appears. It is as follows:

The reasons given in the former report for regarding the Emma Mine as existing upon a permanent and well characterized vein have been again reviewed, and we are now prepared to re-affirm, with confidence, the opinion that this mine is situated upon a great mineral belt or ore-channel, fully mineralized and giving the strongest evidence in its brecciated character,

[For the information of the committee I would state here that a "brecciated" mass means a mass of angular fragments of rock or vein-stuff cemented together, the cementing material in this case being silver; and this breccia is an evidence of the strength of mechanical action by which the mass was rent asunder, as well as of the deep-seated origin of this mine.]

in angular and comminuted fragments of the country-rock torn off and pasted into the ore-mass in the continuous foot-wall, striated by mechanical motion, and faced with a well-formed fluccan; and in the extension, alteration, and decomposition of the associated minerals, that it will prevail to a great depth and extent, offering every inducement for action and continued exploration, and holding out to its owners the best prospect possible in mining, of uniform and satisfactory returns for their capital. (These reports are Exhibits 2 and 3, printed in James E. Lyon's testimony, pp. 21, 22, 23, 24, and 25.]

Q. At the time you visited that mine, in February, 1872, was it in full working condition?—A. Yes, sir.

Q. Was it, in this respect, in the same condition that you found it on the previous visit?—A. No, sir. At that time the men employed were engaged almost exclusively in works of exploration. As far as my recollection serves me, there were not more than twelve or fifteen men employed there in all; though in this estimate I may be mistaken.

By Mr. BARNUM:

Q. That was the time of your first visit?—A. Yes, sir; at the time of my second visit there were many more.

Q. What time did the accident happen; the caving in of the mine?—A. I think in the month of June, 1872.

Q. That effectually suspended its operations?—A. Yes, sir. In support of the estimate I was led to place upon the value of this mine, I will take the liberty of reading the report of United States Commissioner Raymond, in 1872. He writes:

The Emma Mine I inspected in July, 1871, and shows one of the most remarkable mines of argentiferous lead ore ever opened. Without any well-marked outcroppings, there was nothing to indicate the presence of such a mass of ore except a slight discoloration of the limestone and a few ferruginous streaks. The walls of the excavation are very irregular, but consist of a hard white dolomitic limestone. *The ore-mass appears to conform to the stratification and to have a general northwesterly direction, dipping to the northeast.* A peculiar brecciated mass of dolomitic limestone accompanies the ore, and may be regarded as vein-matter, for nodules of galena are found isolated in its midst, as well as small patches of soft, earthy ore disconnected with the main body. The limits of this ore-bearing breccia are not yet ascertained, and prospecting-drifts to the northwest along *its course may reach other bodies of rich ore.* Late reports from the mine (in November) state that such masses have been found at the end of drifts run in from the fourth floor.

It is, of course, not to be expected that the extraordinary rapid and cheap production of the past season should continue unchanged in the future.

Such masses of ore will be found to vary and to be pinched in size, as is already evident in the mines. But where such enormous deposits occur the miner is justified in following for great distances in length and in depth the merest threads or seams of ore, which may lead to other heavy deposits.

Up to the close of the season favorable for teaming and shipping the ore, the attention of the company had been chiefly directed at the mine to the extraction and shipment of ore. *There was little time given to prospecting ahead for future development. This part of the intelligent miner's duty has been neglected.*

The main ore-chamber is well timbered throughout with a frame-work of squared and mortised timbers, set at regular intervals of 4 feet from center to center, in the same manner as practiced at the mines on Comstock lode, Virginia City. The vertical space is divided into "floors" or levels of 6 feet 8 inches each. There are eleven floors above the tunnel and eight below.

The circumstances attending the sale of this mine in England do not require discussion here. I have elsewhere declared my opinion that the price obtained (£1,000,000) was not justified by the appearance of the mine as I saw it; *but I must frankly confess that the very important discoveries reported since have greatly enhanced its value.* If the danger of litigation has been successfully arrested, I do not doubt the company will produce a great deal of ore at a handsome profit, probably sufficient to justify their large capital.

R. W. RAYMOND,
United States Commissioner of Mines.

WASHINGTON, 1872.

From his report it will be seen that the estimate placed on the mine is substantially the same as my own observations led me to conclude in regard to it.

But on this point I have other testimony to which I beg leave to call attention. I hold in my hand a pamphlet entitled, "The Emma Mine; its past and present mismanagement, and its future prospects, by Henry Sewell, M. E., graduate for 1851 of the Royal School of Mines, of Frei-

erg, Saxony," about which work or its ethics I intend to say nothing, ut only read one or two extracts. He writes:

In my last inspection of the Emma Mine, in August, 1874, I broke off with a ner's pick various pieces of ore, which I consider to be splendid indications for a new -body, from the bottom of the main shaft and 40 feet below Atwood's imaginary le, and in the presence of Capt. James Matthews, (the former superintendent ler the American management, before the mine was sold to the English public,) and eral workmen, which I found to consist of the same matrix as the great ore-body in upper workings, namely, a brecciated limestone containing silver and gold, and in it assays made for me of samples taken by me from the bottom of the main shaft, *actually* some 40 feet below the supposed slip, these were found to carry good in- itions, assaying for 16*s.* to £5 in silver, and an average of 12*s.* per ton of gold. I say t no *ordinary rock* or, mining phraseology, no *country-rock* (as distinguished from a) contains any such proportion of ores; therefore I feel confident in concluding t the main shaft is in the vein, *even below the supposed slip*, which, at that point ex- in Mr. Atwood's imagination.

he Emma Mine also shows the same peculiarities of most of the limestone forma- s with which I am practically acquainted, namely, that of producing richer ores as ter depth is attained. This is proved by the last 400 tons sold, which averaged $200 to $1,000 per ton.

Continuing, he says:

further say that in order to reach the ore-deposit after what may fairly be deemed e but a temporary compression of the vein, was to have carried on the workings uming the existence of proper pumping and other machinery) by linking the main ine and driving levels till the ore was reached again, and sinking ought to have n continued.

Again, in another place, he says:

he length of the Emma vein having now been proved by actual work of the es that are situated on the same vein for a distance of 10,000 feet, such as the Flag- f, Vallejo, and others, to be a master vein, it is but reasonable to suppose that ore-bodies will be found in depth as well as in length as already stated.

Q. What impression, at the time of your first visit, was made upon ir mind as to the value of the mine?—A. It seemed to me at the time my first visit from actual observation to be a mine of great value, l I was impressed with the magnitude of the ore-mass. But I was re particularly impressed at the time of my second visit, when the ex- rations which I had recommended to be made in the direction I was by theoretical reasoning to look for the development of the ore had ctically demonstrated the correctness of my conclusions, and fully con- ned my predictions. The pamphlet of Mr. Sewell, to which I have eady alluded, will be of interest in this connection, showing, as it does, extent of the explorations, and, in his judgment, the mistakes that ve been made. There are portions of the text which I had marked reference, but I will not detain the committee now by reading them. vill only read a single extract from his affidavit in "the Emma min- suit" before Chief-Justice McKean, in Salt Lake City, Utah, in ly, 1872. He states:

The Emma Mine, at the time it was examined by me, *exhibited distinct and marked racteristics of a well-defined segregated strata vein; the foot-wall has a regular pitch into hill of about forty-five degrees*, and a course in a northwesterly *direction, corresponding h the foot-wall found in the Flagstaff Mine, which, in my opinion, development will prove e identical with that of the Emma.*

Q. To what cause do you attribute the great depreciation in the value that property since you made the examination referred to?—A. Chiefly the decline in the tenor of the ore, which depreciated very rapidly in ality. At the time of my first and second visits to the mine it was ted, and I presume with truth, for I saw no reason to doubt it, that every two tons of material excavated, one ton was first-class ore. en I ascertained the facts, after the decline in value of the mine,

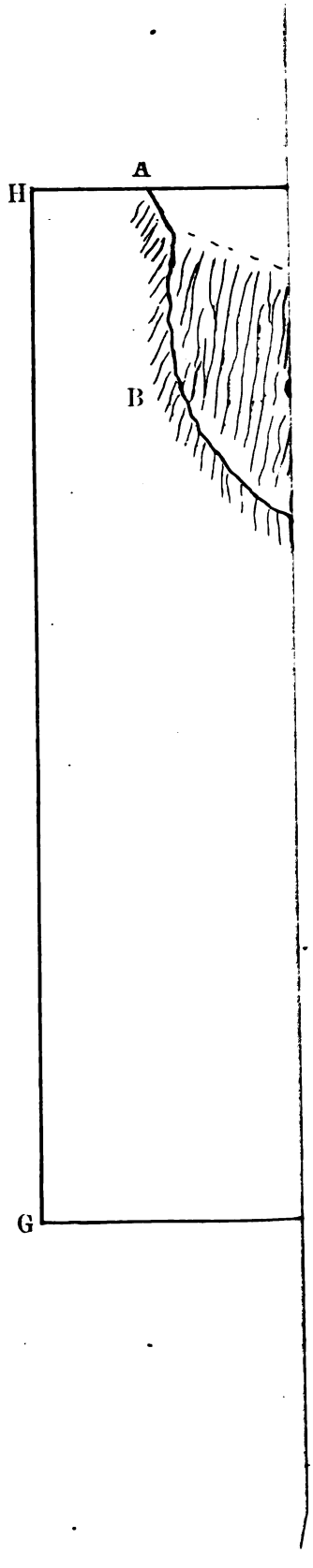
I found that it took sixteen tons to produce one of ore, and that not o equal value to the former. It is obvious that a discrepancy of tha kind passes the judgment of the most acute observer, and is sufficien to overthrow the value of the most carefully prepared estimates an measurements. This I consider as the main reason of the great declin in value, but not the only reason. Certainly the value to-day is ver greatly depreciated, but not more so in point of fact than we find to b the case with some other highly valuable and very important minin enterprises. There is, for instance, a certain parallelism between th Ophir Mine and the Emma. It was regarded as the type of prosperou mines from the first moment of the discovery of the ore, which has re warded the discoverers with daily returns exceeding the cost of deve oping the mine, and has paid a succession of dividends monthly fro the date of its first discovery, in 1858 or 9, until 1867. It has paid u to that date over a million and a quarter of dollars. I will refer to M Clarence King's report for the history of the Ophir Mine, which is give in detail, and which, in its mining department, is written by James I Hagan. The company was incorporated in April, 1860, the claim bein 1,400 feet long, and the number of shares 16,800 or 12 for each foot ground.

The mine was very productive up to and including 1866. The tot value of bullion produced up to January 1, 1870, was $5,240,000, all, e cept perhaps $10,000, having been obtained prior to 1867.

The sum of twenty-two dividends, the last having been paid in Marc 1864, amounted to $1,394,400, equal to $83 per share, or $996 per foo

In later years the company has been compelled to make asses ments upon the stockholders, beginning in 1866 with $184,800 th year, or $11 per share, and continuing down to the close of 1874, appears from the report of Mr. Raymond, the mining commissioner the United States, the total amount of the assessments reachi $1,832,000, a sum considerably in excess of the dividends derived fro it when in a paying condition. And now there is a point in this co nection to which I beg leave specially to direct the attention of the co mittee, and that is to the value which mining men put upon proper of this character, if well situated, even when in a non-paying conditic The body of ore from which the dividends in this case were derived w situated at a depth of about seven hundred feet, as will be seen by ref ence to Mr. King's report and maps. The great bonanza of the Op mine went down in shape like a cow's udder to the depth specifi seven hundred feet, and ceased. The ore ceased, but quartz continu porphyry continued, and the vein sometimes contracted to the thickn of a knife-edge. They have prosecuted their researches to the prese day in spite of the expense and difficulty of the undertaking, and spite of the fact already stated, that in order to carry on the work th successive and heavy assessments have been made upon the shareho ers. And here I will illustrate by a slip of paper in a familiar way t process by which the vein of ore may be distended or reduced in thi ness, as in the case of the mines now referred to.

(The witness explained the diagram as follows:) The sheet of pa H F G E is divided in the direction of the line A B C D E, represe ing the general direction of the ore-vein. By the slip or throw of t part A F E, the vein is contracted at C and opened out at O and P, t sheet of paper then assuming the position indicated by the dotted lin If now the ore-chamber or original mine O be exhausted, the vein the deeper workings at C will be found possibly reduced to the thic ness of a knife-blade, while by prosecuting the exploration in th


A
H
B
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original direction the new ore-chamber P, of equal or greater value, will be developed.

Now in the case of the Ophir mine, what has been the effect of this confidence in the ultimate value of the mine? I noticed yesterday, casually, in a New York paper, that the shares of this mine, which has not paid a dividend within the past decade, whose assessments have already exhausted all the dividends ever paid, and an immense sum besides, are now selling in the market at 76!

Now in the case of the Emma Mine, it certainly has paid as much as $1,300,000 profits. I am not prepared to substantiate this estimate under oath, but I have no doubt that it will be brought to your notice in a form that will satisfy you of its truth during the progress of this investigation. But there is another fact to be noticed here, that while the mine has paid its own way, all its expenses of locating, incorporating, exploring, &c., there has been, and I say it in all kindness, the grossest neglect—I may say almost criminal neglect—of that simple rule of wisdom in all mining operations, that the process of exploration shall be always well in advance of the process of extraction. This was entirely disregarded, and finally the ore remaining in the old mine was found to be greatly depreciated in value.

Q. It is your opinion, then, that the depreciation in value of this mine is not attributable to any good or sufficient reason?—A. I say that it is beyond any satisfactory reason. The reasons are undoubtedly as I have stated, but they are not satisfactory reasons for such a depreciation.

Q. Would you give as much for the shares to-day as you would have been willing to give at first?—A. Certainly not, sir.

Q. What reason then would you assign for that difference?—A. Simply that the great fault has been in the want of systematic explorations for the development or discovery of new bodies of ore of equal value as the original bonanza. This work of exploration should in all well-managed mining enterprises keep well in advance of the process of removal of the ore in sight. Neglect to comply with this requirement of prudence will eventually result in disaster, as in the present instance. Besides this, it is stated that the owners have neglected to explore the ore-mass downward, and the consequence of this neglect has been that other parties have rediscovered the vein below their workings; of which I know nothing personally.

Q. You do not consider it worth as much now as at the time of your first examination?—A. Certainly not, sir. No mine is better or more valuable for the ore taken out of it. Every mine is a limited quantity, and unless new discoveries are made of equally accessible and valuable ore with that taken out, it must of necessity depreciate in value.

It may be of interest here to call attention to the very small percentage of silver necessary to give value to a mass of ore. I have in my hand a paper, which I prepared subsequent to my first visit to the mine, entitled "Geological and mineralogical notes on some of the mining districts of Utah Territory, and especially those of the Wahsatch and Oquirrh ranges of mountains," in which paper I have given the result of the analysis of an average sample of 183,080 pounds of first-class ore from this mine, which I was fortunate enough to obtain, and which developed a fact that was not before credited, namely, that more than 40 per cent. was finely-divided silica.

The presence of this gangue in the ore-mass sheds an important light on the chemical history of the metallic deposit. It has been contended by some geologists that the Emma Mine was not a vein because of the absence of quartz. But this analysis showed the presence of more

than 40 per cent. of this finely-pulverized quartz, looking like loaf-sugar. The silver, on the contrary, amounted to only .48 of the whole, or 156 troy ounces to the ton of 2,240 pounds. To comprehend how the tenor of ores may vary and seriously impair the value of a mine, I will give you an illustration. In a net ton there are 32,000 ounces. One per cent. silver in the mass would give 320 ounces in a ton. Now if that quantity, which appears almost too small to be regarded in an analysis, were to be diminished to one-tenth of 1 per cent., where would be the value of the mass? To the naked eye the ore would present no difference in its general appearance; it would undergo no perceptible change, the alteration would defy detection without the aid of chemical analysis, and yet the value of the ore would have departed.

The ore was thought to be far richer, from the analysis, than it proved to be on further development.

It is true that Mr. E. Brydges-Willyams, the chairman of the London company, who was present at the mine in 1872 when I made the second examination, and who was personally interested in it, took his own samples, selecting them from a large quantity of the ores; but I said to him, "Mr. Willyams, I came here at the request of the vendors of this mine to escort you for the purpose of showing you what I know, from past examinations, about the mine, and the amount and character of its ore-deposits. All of this you will see for yourself, and I do not propose to do the least thing to influence your judgment in any way, more than to show you the facts as they really exist, and least of all shall I take samples in making this investigation. You can take a mining-pick and make your own samples, selecting them as you please, and the assays will be your own, not mine."

That result, the result of that investigation, is stated in the report appended, (marked "Exhibit No. 2.")

Q. Do you know the present value or selling-price of the shares of that mine in the London market?—A. I do not, sir. I beg leave to say in this connection that I have never taken the least interest in the speculative side of this enterprise. I have none of its shares; have never owned one, and none of my personal friends own any of them, as far as I am aware. My only interest in it has been purely technical, scientific, and professional, not fiscal.

Q. Would you consider any sale of this mine, as it now stands, as being justified by considerations of value remaining in it?—A. It would depend entirely upon the price paid for its shares. I conceive that the price I have heard paid for them could well be paid. I have heard them quoted as low as fifteen shillings. They could well afford, I should think, to pay that.

Q. If you were a capitalist and desired to go into speculation would you be willing to give that amount for the shares?—A. With my present knowledge, I certainly would, sir.

Q. You would probably be willing to give this low rate, but not for any considerable amount?—A. I think it is worth to-day certainly ten times as much as it was the day before that ore was struck in the base of the tunnel, which gives it a new character in the eyes of mining-men. I know they would find it if the explorations were carried on. I was satisfied that it was there and that the neglect to find it was, I may say, almost criminal. The delay was certainly attributable to want of courage to prosecute the search for it. There were other reasons, also. There was lack of prudent and systematic management in the conduct of the mining-operations. Scientific teaching pointed out the certainty of the existence of the vein below the level of the original opening, but

business management neglected to pursue the exploration in the direction indicated. Besides this, the company had little or no working-capital, and was in no good condition to prosecute the work. I am no business man, but I think the business management that puts $5,000,000 in the stock and does not possess a cent of working-capital is open to criticism.

I would like here to read, for the committee, a letter which I received from Mr. George Anderson, chairman of the Emma Mine, and dated at Salt Lake City, in September, 1872. Mr. Anderson was a member of Parliament from Glasgow, and his letter was written to me within a fortnight of a year after my first examination of the mine. It will be seen from the letter, which I will now read, that Mr. Anderson fully confirms my first impressions:

SALT LAKE CITY, 27th *September*, 1872.

MY DEAR SIR: I have been through the mine, and am more than satisfied with all I have seen. It is a marvelous reality even with what ore is in sight; but if, as seems probable, the lower workings develop as the upper have done, and with richer ore, imagination may revel as it pleases with a reasonable chance of keeping within the facts.

One of the best developments for us is that of a local trade for the ore; this has sprung up quite suddenly, but as every week some new buyer appears, I do believe it will be a permanent trade. The result is that for three weeks we have shipped nothing. This has come to be most fortunate, as the ore in the upper level is not rich enough to ship ($90) without much selecting, and adding largely to our second-class dump. As it is we can take it as it comes and make no second class at all. Our output approaches 100 tons a day. The lowest level, at the bottom of the deep-exploration shaft, is still choked with water and mud, but is to be cleared that I may see it, and I propose extending the exploration there by cross-cuts to see if it be not in fact a second "great chamber."

I was much struck with the stratification of the hills in the cañon. I believe they were covered under snow when you were there, but I hope you will see them the next time. The granite is tilted on edge, so that the weather has got at the softer layers, and by eating them out made a wonderfully jagged sky-line. Emma hill seems all of a hard, close-grained lime, and I could find no organic remains in it. In our country the limestone is almost always a mass of encienites or other organisms.

The scenery in the cañon is certainly very fine. It has been most gratifying to me to find everything as I have found it, and it must be greatly so to you to find your prognostications so far verified by the results of explorations.

I remain, my dear sir, yours, very faithfully,

GEORGE ANDERSON.

Professor SILLIMAN.

This letter, I beg leave to say, I regard as a sort of satisfaction-piece to me for any bond or mortgage that I may have given upon my professional reputation regarding the character of the mine. I know that an impression prevailed that the indorsement was concocted from London by influences friendly to the vendors, and that something was wrong. But Mr. Anderson declined all aid from any source, and would allow no one to accompany him to the mine. He also said: "It has been charged upon Willyams that he went to see the mine through other eyes than his own, but I intend to measure up the ore reserves myself." He went alone and made the examination himself, and telegraphed the result of his observations to London in the following words:

SALT LAKE CITY, *September* 25, 1872.

No use making measurements. Mine immense.

G. ANDERSON.

And sent on the same day a second dispatch, as follows:

SALT LAKE CITY, *September* 25.

Received at the London office September 26, 1872.

Visit to mine highly satisfactory. Been through all except the deepest levels. Great wealth, beyond all doubt; ore everywhere. Management energetic and thoroughly reliable.

ANDERSON.

These telegrams were published in London at the time, but Mr. Anderson's letter to me is now for the first time given to the public.

By Mr. HEWITT:

Q. What did he mean by the words "management energetic" at the time?—A. You know, sir, as well as I do. I can only take his words as I find them.

Q. Who sent him out to examine the mine?—A. He was chairman of the company and wanted to see its actual condition.

I will state also that the Hon. Col. John Stanley, one of the directors of the Emma Company, who visited the mine in July, 1872, expressed to me personally, after his return, his complete satisfaction with what he had seen, and with my statements. His telegrams to the London company of like tenor may be read in the London Mining Journal of that date.

(The witness here presented to the committee and explained a map drawn in Salt Lake City by his assistant, showing the workings of the mine in February, 1872. The map shows the comparative size of the great ore-chamber, or bonanza, in sections, at different elevations, and also shows the character of the new workings which were carried on beyond the limits of the old chamber.)

Q. The reason, then, why the mine failed to yield what was anticipated was because of the falling off in the character or tenor of the ore? A. Yes, sir.

By Mr. MONROE:

Q. This depreciation in the value of the ore was a thing that you had no means of anticipating?—A. No, sir; no man could possibly have foretold that.

(A diagram of the Little Cottonwood Cañon was here explained by the witness, showing the location of the Emma Mine, &c.)

By Mr. HEWITT:

Q. Is there anything inconsistent with your professional experience in the assumption that there is a continuation of the ore-vein below the line of the present workings? If so, what would be the result of its development?—A. I think that some people who are now very much in disrepute would not be so slightly esteemed as at present. The conviction in my own mind has been, and I have seen no reason to change it, that there is a mass of ore below the present mine of great extent and value.

By Mr. FAULKNER:

Q. You have referred to your reports made to the London office in October, 1871, and February, 1872, copies of which we are in possession of, but have made no allusion to a telegram which you sent, in connection with Mr. Willyams, in April, 1872, to London. In that telegram you report that 8,000 tons of ore have been discovered, since the date of the last report, the assay-value of which was $2,000 per ton. Will you give some explanation of that dispatch? I will explain to you that it is in evidence before this committee that a dispatch was sent from Salt Lake City, and signed by Willyams, Hussey, and yourself. It is on page 32 of the testimony of James E. Lyon, and in the following words: "8,000 tons discovered since last report. Sample-assay, $2,000 per ton"—A. I do not recollect of having signed any such dispatch. Like all other reports of that character and brevity, I can well conceive that it is liable to be mistaken, for it is well calculated to convey a false im-

pression. A sample-assay is a technical term which a miner would understand, but which would mislead, very probably, a person not accustomed to the expression.

By Mr. HEWITT:

Q. But this dispatch conveys the impression that the 8,000 tons were worth $2,000 per ton, does it not?—A. No, sir; that is a mistake. A sample-assay is not necessarily an average of the mass. It would be worth nothing like that sum.

Q. But was your attention not called to that fact, and the liability of such an expression to create a false idea when you signed the dispatch?—A. I must say, as I said before, that I have no recollection of such a dispatch at all. I receive the information with surprise; for I can readily see the impression it would be likely to create, and should make haste to correct it if such an impression had gone abroad through my agency.

Q. Do you have any recollection of having signed such a dispatch at all?—A. I have not; and I should be sorry to think that I had ever done so, or that I had permitted it to go in such form as that.

By Mr. MONROE:

Q. Was your attention never called to it before now?—A. No, sir, never; it is very possible that there was a dispatch sent from Salt Lake to London, and I may probably have signed one without paying specific attention to it, but certainly I signed no dispatch of that tenor, to my knowledge.

By Mr. FAULKNER:

Q. Were you acting under your engagement with the company, to which you alluded in the first part of your examination, at the time of this dispatch?—A. I considered myself in the service of the Emma Mining Company, but my compensation was to be paid by the vendors.

By Mr. MONROE:

Q. You have not been to the mine since the close of February, 1872?—A. No, sir; some time about the first of March, I think. I had gone down in the interest of the company on other tours of duty.

By Mr. FAULKNER:

Q. Upon what ground would you justify your action, supposing you had signed a telegram of that character, in making a report to London?—A. I had entire confidence in the integrity of the mining captain and superintendent, and there would have been no motive on the part of either of them to deceive me, and they brought me the information with diagrams and details, so that I accepted it as I found it.

Q. Did you not know that the company relied upon your personal examination and your scientific judgment as the basis of their action?—A. Certainly I did, and these investigations were made under my personal direction, and were in furtherance of those already had, and the evidence all tended in the same direction.

Q. I suppose you have information of the fact that upon the basis of that telegram there was great activity given to the sale of the stock in London?—A. No, sir. I have never heard a syllable about it before. This is the first time it was ever brought to my knowledge.

By Mr. MONROE:

Q. You said that your compensation in this case was in no wise contingent on the sale of the mine?—A. Yes, sir; that was my statement.

By Mr. FAULKNER:

Q. Did I understand you to state that your compensation was bas upon the estimate you might form of the value of the mine?—A.] no means, sir. My statement was, that after completing the work a rendering the report, I was to be paid not less than ten thousand dolla nor more than twenty thousand dollars, in addition to the first paymen of five thousand dollars, depending on the estimate I might form of th value of the service.

Mr. PACKER. I think it would be only proper to state in this connection, Professor, that the committee has no evidence that you did sign the dispatch in question. It was merely stated that your name was attached to the telegram. The only evidence is the statement of Lyon's.

The WITNESS. I wish it were in my power to recall the facts with sufficient accuracy to enable me to answer affirmatively or negatively; but I have no recollection of the circumstance at all.

Q. You have no recollection of having signed the dispatch?—A. No, sir; it is an entirely new thing to me, and strikes me with surprise.

By Mr. HEWITT:

Q. Were you at the mine in April?—A. No, sir; I was not there after March. I was in Salt Lake City and in constant communication with the mine, but was not at the mine after that date.

By Mr. FAULKNER:

Q. Where were Hussey and Willyams at that time?—A. They wer in Salt Lake City. Hussey is a banker there.

Q. Were you together at Salt Lake City on the 5th of April, 1872?—A. I presume we were, though I do not remember the time that we le Salt Lake City. Willyams and myself left the city together.

Q. Do you remember any dispatch having been sent by you fro there?—A. I recollect dispatches having been sent, but not sendi any myself. I don't wish to be understood, however, as sweari positively that I did not send the dispatch; but that it is a surprise me, as I have no recollection of it whatever.

By Mr. BARNUM:

Q. You say you were in Salt Lake City at the date of the sending the dispatch, April 5, 1872?—A. I think I was.

Q. These gentlemen, associated with you there, would not be likely use your name without your knowledge?—A. I think not, sir. W yams I found to be one of the most honorable gentlemen I ever met.

By Mr. HEWITT:

Q. At that date the mine had been already sold, had it not?—Yes, sir.

Q. And anything you might state in regard to it would not ha affected your compensation in any degree?—A. Not in the slightest, in any way.

By Mr. MONROE:

Q. You would not have sent such a telegram without investigation its character and the impression it would naturally create, would you? A. No, sir.

By Mr. FAULKNER:

Q. Were the facts true or false as stated in that dispatch?—A. I ha no general knowledge of the ores that were produced from that partic lar exploration, and am unable to say whether the statement be true

false. The inference that the ore was worth $2,000 per ton was certainly false.

By Mr. HEWITT:

Q. You remember the fact that you did make a sample-assay that yielded $2,000 per ton?—A. That was made while I was there, and I have a mass of the ore with me here. When I received the summons of this committee I recollected that I had some specimens of the ore, and I brought them along with me.

Q. In any conversation with Hussey and Willyams, about the beginning of April, was anything said to you of the importance of sending a favorable report to London?—A. Nothing whatever.

Q. Was nothing said about the condition of the market in London for shares at that time?—A. No, sir; not a word.

Q. Do you know of any dispatch having been sent independently by any one of the party in connection with a desire to influence the shares in the London market?—A. I had no knowledge of any such being sent in any connection, though, as I have said, I do not desire to be understood as affirming positively that none were sent. I do not remember any being sent.

Q. Do you remember signing any dispatch jointly with Hussey and Willyams?—A. No, sir; I have no recollection of having done so.

By Mr. FAULKNER:

Q. Mr. Lyon, in his testimony, speaks of having seen the dispatch in question.—A. If any dispatch of that tenor was sent, it was sent entirely without my knowledge, as far as my recollection serves me now.

Q. Are you able to state that 8,000 tons of ore were discovered since the date of your last report?—A. I have no doubt of it, sir; but not of the value as stated in that telegram. The assay proved to be worth only $219 per ton. A sample of it, however, did assay $2,000.

Q. When an average sample is spoken of, how is it obtained?—A. The miner takes his pick and picks a little here and there from different parts of the mine, until he gets fifty or a hundred samples. These are crushed together, and then subjected to the process called "quartering;" this is, in turn, subdivided until he obtains the desired quantity. When a sample of that character is analyzed, it is called an average of the mass which he has been inspecting, or an average sample. Of course a single sample, selected from the richest body of the ore, could be made to show a value far beyond any average of the whole body of ore.

By Mr. MONROE:

Q. Now, in this case, to obtain an assay-value of $2,000 a ton, it would have been necessary to select the richest samples or specimens, would it not?—A. Yes, sir; but I examined one part of the mine that reached that value.

(This sample was exhibited to the committee.)

By Mr. HEWITT:

Q. It has been stated that the mine was "fixed up" for your visit. You understand the meaning of that term. Did you see any evidence of preparation that would seem to indicate a desire to produce a more favorable impression on your mind?—A. None whatever, sir. Such a statement is not only false, but actually absurd. It is impossible to fix up a mine so that one, in a personal examination of it, would be deceived.

Q. Do you think you could have been deceived by such means?—No, sir.

Q. You have given in your reports a liberal estimate of the quant of ore in reserve and the value per ton. It appears that the reser never yielded in such quantity. How do you account for that?—The estimates were based on theoretical data, necessarily. The chi cause, I think, of the discrepancy may be accounted for in the deprec ation of the average tenor of the ore. There might have been also shrinking of the volume. You cannot always tell when you have reache the bottom of a level; it may be more or less.

Q. Did you take actual measurements?—A. Yes, sir; very carefull

Q. Did you make actual computations?—A. Yes, sir.

Q. And make actual assays?—A. Yes, sir; most certainly.

Q. You based your opinion upon actual measurements and ave ages?—A. The reports are the result of such investigations as I mad and show the opinions at which I arrived on direct examination of th mine and the character of the ores.

Q. You have stated the value of the ore in your reports, in som cases, as I remember, at $183 per ton; was that the result of averag samples?—A. My impression is that I gave merely the result of th assay of galena, carbonates of lead, &c., that could be taken from diffe ent points of the mine. I will read from the first report:

At 50 feet depth in the shaft, is a body of 2 feet of galena in the wall, which ga me 50 per cent. of lead, with $224, silver, per ton.

Again:

Thirty feet northwest of this shaft is a pit, sunk some time since, about 25 fee which also cuts the foot-wall, and carries a course of 4 feet of black ore with galen this galena gave me 57 per cent. of lead and $183, silver, per ton. The black o yielded, lead 26 per cent., and silver $183 per ton.

These assays, you will understand, were made from samples, in th manner I have described as average samples.

Q. Then follows, in the report, a considerable number of such sta ments as you have referred to?—A. Yes, sir; but are all of the sa character.

Q. Then you sum up as follows: "From the booksof the secretary the Emma Silver-Mining Company, I find the amount of ores now hand, sacked and ready for shipment at Salt Lake railroad depot, a those in transition from the mine to the railroad, is twenty-five hundr tons." How did you make measurements for that, or did you adopt t report of the secretary without measurement?—A. No, sir; it was n possible to measure ore, or accurately estimate that which was sack and ready for shipment. The statement of the secretary I will re with the permission of the committee. The following is the offic statement of the secretary of the Emma Silver-Mining Company, of t amount of ores (in tons) obtained from the mine prior to the date give

Emma Mine.

14,500 tons first-class ore extracted from the mine since July 12, 1870.

8,000 tons second-class ore, estimated quantity now on hand at mine in Lit Cottonwood.

3,000 to 4,000 tons, supposed quantity, of first-class ore, extracted and shipped discoverers of mine prior to July 12, 1870.

Total, 25,500 tons.

Amount of ore on hand at Salt Lake railroad depot, and *in transitu* from mine railroad, &c., 2,500 tons.

	Tons.
Amount of bullion on hand	100
Amount of bullion shipped	73
	173

[SEAL.] CHARLES SMITH,
Secretary Emma Silver-Mining Company.

SALT LAKE CITY, *October* 14, 1871.

By Mr. HEWITT:

Q. Fourteen thousand five hundred tons is classed in that report as "first-class" ore. What do you mean by "first-class ore?"—A. Ore that will produce an average of $100 per ton after paying expenses of mining and reducing.

Q. You mean that will pay a profit of $100 a ton?—A. Yes, sir.

Q. The quantity of second-class ore "on hand" in this report is stated to be 8,000 tons?—A. Yes, sir. That statement I took from the books of the secretary. It was unavoidable, because it was covered with snow the night after my arrival, and was not visible until the snow disappeared in the spring. Second-class ores are worth from $50 to $75 per ton.

Q. Do you know really what was realized by the company from the ores?—A. I have not the means of stating correctly; but I believe a correct statement will be made to you by parties who do know, during the course of this investigation.

By Mr. BARNUM:

Q. Was any depreciation produced in the value of the ore from defective working?—A. There was great waste made, I am satisfied, in the concentration of the ores. But the ores going northwardly, and with the rise of the hills, were not so good. The ores struck by the Illinois Tunnel Company, while showing the same general characteristics, were much inferior.

By Mr. HEWITT:

Q. At the time you made these reports you understood the mine to be sold already, and therefore your statements could have no influence upon the sale of the mine?—A. That was my impression, sir.

By Mr. FAULKNER:

Q. If the mine had been sold already to be put again upon the market, would it not necessarily have influence upon the sale of the stock?—A. Perhaps I am not the best judge of that, though I can conceive that it probably would. It would depend upon the degree of authority that was supposed to be attached to the statement.

The following letter was subsequently received by Mr. Hewitt from the witness, and was ordered to be appended to his testimony:

NEW YORK, *March* 11, 1876.

DEAR SIR: I have occupied myself since returning from Washington with an investigation into the alleged telegraphic dispatch to which my attention was called by your committee on the 9th instant, as forming part of the testimony of James E. Lyon. Considering myself as still under oath, I now desire to add to my previous testimony as follows, viz:

1. I never signed, or authorized any party to sign for me, the dispatch cited by Lyon on pages 16 and 32 of his printed testimony.

2. No such dispatch was ever sent, and the statement of there being such a disp is false.

3. I have caused search to be made by the secretary in the Western Union Tele Company, in this city, for a cable telegram of any description on or about April 1st 6th, bearing my signature. But all the dispatches of 1872 have been destroyed, so th all evidence from this source fails.

4. I have also examined a properly authenticated record of all the meetings of th directors of the Emma Silver-Mining Company, (limited,) from March to May, 1872 and no allusion to any such dispatch exists therein, nor is there any reference to any circular or other publication of the company of a similar tenor, although these records have apparently authorized and directed the official publication of all communications made by me individually or jointly with others, to the company, and I will add that my letter of April 2d to the company, from Salt Lake, is directed to be published by the meeting held on the 29th of April. A copy of this last-named letter I lodged with the committee when I was before them.

I will further add that I have examined the published statements of the price of Emma shares, as contained in the London Mining World and Mining Journal, between the 17th of March and the 13th of April, 1872, and I find that between those dates the quotations did not fall below £23, nor rise above £24 per share. It is therefore plainly evident that no alleged dispatch or authorized report of mine could have materially affected the price of Emma shares during this period.

In the London Mining Journal of April 6, 1872, occurs the following copy of a telegram received in London April 5, 1872:

"Very great improvements since last report. On seventh floor drifted 120 feet, and tenth floor 40 feet, all in ore. At bottom winze, 70 feet below old workings, drifted 40 feet all in ore. Sample assays 28 per cent. lead and $2,000 silver. Reserves discovered since last report, over 8,000 tons. Everything connected with the mine is highly satisfactory. Mailed supplementary report. Cañon road still bad. Shall forward 1,000 tons first-class ore forthwith. Have 65 tons bullion, worth $20,000, propose selling here. Arranged all other matters here. Will report fully on return. Willyams, Silliman, and Hussey."

You will see that there is nothing is this dispatch to justify the monstrous statemen made in the garbled extract from it, that these 8,000 tons of ore had an assay value o $2,000, or that the dispatch above quoted gives to the reserves any specific value what ever. I also believe that you will find nothing in this telegram inconsistent with th more detailed statement of my letter of April 2d, upon which, so far as my respons bility goes, it was based.

I have the honor to remain with high esteem, your obedient servant,

B. SILLIMAN.

Hon. Abram S. Hewitt, Esq.,
Committee of Foreign Affairs, House of Representatives, Washington.

State of Connecticut,
City and County of New Haven, ss:

On this 13th day of March, A. D. 1876, personally appeared Benjamin Silliman, to known to be the person who signed the foregoing writing, and made oath that allegations and statements therein contained are true, to the best of his knowledge belief. Before me.

[SEAL.]

OLIVER L. WHITE,
Notary Public in and for said New Haven County

WASHINGTON, D. C., *March* 21, 1876.

WILLIAM M. STEWART, being duly sworn, testified as follows:

AULKNER (in the chair.) In the evidence that has been already ›fore this committee you have been referred to quite promi- ›oth in your professional and your personal relations to this line, and in connection also with the subject of our investiga- e official conduct of General Schenck. You are now at liberty before this committee any statement which you may think ı regard to your professional or personal connection with those

'ITNESS. In March, 1871, James E. Lyon was introduced to me erome B. Chaffee, (I think that is his name,) delegate from ›, and well known to me. He brought with him letters from ıree gentlemen of my acquaintance from San Francisco. I do v that I would now recollect their names if I had not observed testimony; I presume that is correct. He (Mr. Lyon) mentions eceived letters from Mr. Lent and Mr. Dodge, of San Francisco. s I recollect, were simply letters of introduction. Mr. Chaffee, knew well, said to me that his friend Lyon, whom he intro- ad a claim to the Emma Mine in Utah, which I knew very well ation, and he wished that I would have a talk with him and ı what the claim amounted to; that Mr. Lyon had no money, if, in our opinion, the claim was a good and meritorious one, he ırnish the necessary means to carry on the litigation, if we felt ɜd in undertaking it. Mr. Lyon brought but few papers with e gave a general history of his case, however—stated that a suit ady been commenced, and an application *made for an injunction, d in the Utah courts.* He predicated his claim upon two grounds: location called the Monitor claim. Second, an administrator's

ɜ last he claimed to own all the ground. The first named claim ,t there had been a location of the ground in 1868, by a company ıe "Monitor," and that he had a verbal arrangement with the , Woodman & Chisholm, to have a one-third interest in the ıd to come in and help develop it. He told me that he had ex- some labor upon this mine, and had made some arrangement— ıct, I think it was—with Woodman to sink a shaft on it in 1868; had been always willing to keep it up, and that it was the re- these arrangements that the Emma Mine was discovered, and er the discovery these parties made a new location, taking in ımes and calling it "Emma."

gave him a claim of a third interest. When I came to examine ıdings I found they contained a claim for the whole mine. There amendment, I think, of a count for a claim for one-third which ɜrward put in. After talking with him I became satisfied that n was a good one, and so did Mr. Hillyer. I told Mr. Chaffee clusion, and he said very well, to go ahead. We then made a ; with Mr. Lyon to undertake the case. The contract, I think, per cent. if it was settled before I left Washington or New York. us that Mr. Park and some others were negotiating a purchase ›rty, and if they succeeded in purchasing it we would very likely settlement, and in that case we would not have much to do. It n settled that in case we went out to Utah we were to have 15 :., and if the case was litigated it was to be 25 per cent. Mr. ırough Mr. Chaffee, was to defray our personal expenses and enses of litigation. Mr. Lyon complained very bitterly of the

treatment which he had received at the hands of Judge McKean, Utah, and stated that the judge had thrown out various intimations to him that he would like an interest in the claim, and wanted to know what could be done in that case. He said that the judge was interested in a great variety of other claims which were pending or liable to be pending in his court—claims which had been located by different persons connected with this same Emma transaction. In reference to his intimations that the judge wanted to be bribed, I said, "He is a judge, and a man in good standing. You are a party in litigation, and undoubtedly your statement would be attributed to interested motives." He made similar statements in regard to several of the other judges. I said to him, "If it is true that these judges have become involved in the mining litigation it is certainly very improper, and they ought not to remain on the bench." If the committee are not familiar with the subject of mining litigation I might explain that the claims in nearly all such cases are very similar. They are mostly questions of priority of possession. It is generally a scrambling for the possession of mining claims, and the rulings applicable to one would apply to them all generally. I expressed to him my disapproval of the course of conduct on the part of the judge, which he had described to me, and I said that if such were the fact I would lay it before the Attorney-General. He produced a good many letters and statements, which made the case strong enough, so I did submit it to the Attorney-General. The Attorney-General wrote out to the judges and they made some explanation of it which was satisfactory to the Department, and they were not removed. In this proceeding as against the judges, however, I may state that Lyon's statement to me, particularly in regard to Judge McKean having made approaches to him, produced a profound impression on my mind and had a good deal to do with my readily seeing other evidence in the strongest light against Judge McKean. I have reason to think that I did him great injustice in the matter, and that he was an honest man; and since I came to that conclusion, some three or four years ago, I took occasion to call upon the judge and tell him that that was the fact. This was in March that the arrangement there first commenced. I saw Lyon at various times during that period, and these letters were coming from Salt Lake. I have the letters which he wrote out there to get the evidence. If it is material I can present them hereafter. I then started out to Salt Lake, some time in the month of June—I forget the exact date—in company with Mr. Lyon, to attend to this business. On our way from New York—at Harrisburg, I think—we met Governor Morton on the train going west. I told Mr. Lyon who he was. I had had some conversation with Governor Morton, in which he had told me that he expected to visit the Pacific coast during the vacation; that he was going to spend some time in all places of interest, and there was some talk about Salt Lake. I told Lyon that Governor Morton was going out there, and that it might be well to have him assist us in the case; that he was a man of standing, and would understand the proprieties, and that if the judiciary were in that condition, the more there were there to see what was done, the more regularly would the proceedings go on. Lyon said that was entirely agreeable; that he would like to have him employed. I had a little conversation with Governor Morton on the cars at that time, right in the presence of his wife, in which I said to him that I was going out there to attend to this lawsuit, and I asked him if he was going to stop at Salt Lake, and he said he was. I asked him if he practiced law any, and he said that was his business. I told him that this matter was one of considerable importance, if Lyon's claim of the Emma Mine was

and that it appeared to me to be a good one, and that if he stop and help about it, I would see that he had a fee; that we not pay him much down, but I would try to get him a retainer, it turned out well he could have a good fee, as there was a large it of money involved. He appeared very much pleased, and I on, he saying that he would come out soon. He did not come, believe I telegraphed to him, and that was all there was of the ior Morton transaction, so far as I know. That is the substance t all events.

went to Salt Lake, and there we commenced to investigate the . The first thing to be done was to see what chances there were ial of the case. I had made every effort I could to get the removed. I had failed in that. The matter was a question for and I thought that it was best to go to trial if we could. On ing the condition of the courts, however, I found that it was alseless to expect a trial in any reasonable length of time. Judge n was much involved in controversies with the Mormons, which d business. The territorial legislature, as usual in all the Terrihad passed a practice act providing for the course of procedure courts, the manner of obtaining juries, &c. The Supreme Court United States had held, in one or two equity cases, that these ial courts were not really territorial courts, but were United courts. At all events, the rules of chancery, as administered in ited States courts, prevailed there, and their *dicta* really went so o throw some doubt upon the power of the legislature to pass a e act of that kind providing for the mode of summoning The judges in Utah so construed it, and were calling the ial court a United States court, and requiring that jurors be summoned by the marshal. I knew very well that erdict obtained under those circumstances would be of no y; that the judgment would be void. I believed in the of the territorial legislature, under the organic act of the ry, to pass these laws; I had no doubt about it in my ind, and the Supreme Court have since—you will find it reported Vallace—in so many words reversed the former decisions, and at the legislature had the power to pass these acts. This was two e years afterward, however. In that condition of things, I found could have no trial of the case. We had tried and failed to get nction. During our proceedings we thought, perhaps, that we renew the application for an injunction, and we got an order of of the mine on the 15th of July. We had the mine examined. l gentlemen experts went in on that occasion, and examined the I never was in it until long subsequently, but several gentlemen n, among them Mr. Wilder, Mr. Murray, Mr. M. C. Hillyer, (the r of Mr. Curtis J. Hillyer,) Mr. Colbath, and Mr. Almyer. They all nt and gave a very glowing description of the mine, and its value. ne had an extraordinary reputation. I was anxious, for my own ition, to find out how it looked inside, and that was one of ects I had in getting this order of survey. They represented it mously valuable at that time. In the mean time these opposing were working it out very rapidly. We were spending Mr. Chafmey with no hopes of an early trial. I made every effort to deme means to bring the matter to a termination, in order that Mr. need not go on and spend money on my advice needlessly. I proposed to Mr. Park that inasmuch as we claimed that the were prejudiced against us, and we had made this effort to re-

move them—a matter which was well known—that would be a tendency against us; and as we claimed that these decisions were all wrong, and were making some little noise about it, asserting that we could not get our rights, I proposed to Mr. Park that we would submit this matter to a referee or arbitrator; that if we could not select him, I would let the Attorney-General of the United States designate some distinguished lawyer. Finally, after some negotiation and the exchange of some sharp correspondence, back and forth, it was agreed that we would submit the matter to Benjamin R. Curtis, of Boston, as a referee to try the case, and that his finding should be entered as the judgment of the court. There was a provision of the practice act to that effect; it would have the same effect as a trial, and either party might appeal. After we had made this arrangement we telegraphed, and found that Mr. Curtis was in Europe, and this reference would not avail us. Some conversations were had with Mr. Park with regard to a settlement. It was understood that Mr. Park, who was managing the litigation on the other side, would settle if he could settle all the claims. There were various other claims to the ground; as is usually the case where there is a rich mine found, entanglements will spring up—or would, until the passage of the law giving them some of the surface of the ground. They could claim it as a separate ledge. The law would only allow them to have one ledge, and they could pile on a different lot of locations and get up a controversy. The controversies for this ground were pretty thick. Mr. Park declined to entertain any proposition for a settlement unless he could fix the title. I then suggested to Mr. Lyon (he says he suggested it to me, but that is not true at all) that if he withdrew the protest which he had on file, and there was no other protest, a patent would issue at once; that the Department here was entirely free in issuing those patents as soon as they could. There had only been a few issued at that time. They had just been organized and there would be no delay. They were not delayed more than a week or ten days, any of them that came, and, if it was clear that there was no other protest, he could get a patent. I suppose you all understand that mining law. It provided for the obtaining of a patent after giving a certain number of days' notice. At that time ninety days' notice was required.

The CHAIRMAN. You will pardon me for making a suggestion, which I do with a great deal of deference. It seems to me that in all the narrative you are giving or proposing to give, where there is no discrepancy or diversity of statement between yourself and Mr. Lyon, it would be well to pass along and not pursue the same narrative. I make the suggestion to save time.

The WITNESS. I am coming to a pretty material part of the matter. The question then arose whether there were any other protests except Lyon's. The business was done rather irregularly, and we did not know but the papers had been sent to Washington; so we had a conversation with Mr. Park about a settlement. He said if the patent could be obtained, he was willing to make a good settlement. In this connection, in reference to the interview brought about between Mr. Park and myself, Mr. Lyon repeats some remarks which he alleges each made in regard to the other. So far as I know, that is all untrue. I made no such remark in regard to Mr. Park as Mr. Lyon attributes to me. I never heard of his making any such remarks in regard to me in that connection when that interview was brought about, except through Mr. Lyon's testimony. Mr. Park and myself had been acquainted for many years, favorably acquainted, but had never had any business transac-

I had known him by reputation, and occasionally met him as a g acquaintance.

By Mr. SPRINGER:

Iou refer to the conversation in the middle of page 5 of Mr. Ly- estimony?—A. The conversation in which Mr. Park denounces d the conversation in which I denounce Mr. Park, to which Mr. estifies. *No such conversation as that occurred;* it is a fabrication. ot true that Mr. Lyon suggested this mode of obtaining a patent. that suggestion myself. He had very little knowledge of the ss, very little knowledge of how patents should be obtained, and delighted when I told him how this could be accomplished. He l me to see Mr. Park at once and ascertain what could be done. s very much delighted, but very anxious; but I told him then ome of the others might have protested, and the protests might Washington, and that it would be necessary to proceed carefully. on and made the examination, and found there were no other s on file here. I then went to New York and had a negotiation Ir. Park in regard to this business. The result was a contract. the contract is substantially given on page 7 of Mr. Lyon's tes- . This contract was drawn up by me. The committee will see e first portion of it provides for a deposit of one-third of the ds of the mine upon the sale with Seligman & Co., and it contem- that the litigation with regard to the title shall go on, and provides case of recovery the judgment shall be satisfied out of the money osited, so far as that money will satisfy it. If it were a larger ent than one-third, then we would have to look to the parties. as the main feature of the contract. This secured us all that the tion could have secured us. I regarded it as very important, for not believe we could get a trial of the case in from five to eight and the right to sue persons after they had worked a mine out not regard as valuable. It had been worked up to February, 1871, er parties, most of whom had sold out their interests. It had een worked by a Utah corporation down to some time in May e, and from that time by a New York corporation. I regarded proceeds of the mine already taken out as beyond reach. I not have carried on the litigation a moment for the sake of to pursue the persons who had got the proceeds and divided Mr. Lyon states that the subject we were talking about was uantity that had been taken out. We talked that over, and y regarded what had been taken out of the mine as of the least nt. You are all sufficiently practical men to know that the right A, B, and C after they had taken out the contents of a mine, articularly to sue corporations that had worked and divided oceeds and perhaps become insolvent, could not have been a very ble thing. We did not regard that as valuable. I felt especially sted in getting some provision whereby the proceeds would be p so that we could litigate for something, and particularly as I that Mr. Lyon was spending the money of another gentleman on commendation. All Mr. Lyon says in regard to its being agreed here were $2,000,000 taken out and that that was what this con- referred to, is not correct. It had reference to what was to come t had reference to the proceeds of the sale, if it should be sold. anted something tangible, something that he could litigate for. was the first provision of the contract. Then it was further pro- as you will see by the contract itself, that Lyon should have an op- that if he did not desire to go on with the litigation after the sale

had taken place, he was then to have an option. That option was that after $1,500,000 had been paid to the Emma Company, he should have one-eighth of the balance, whatever that might be; and if that one-eighth equaled $500,000, he was bound to receive it. He was bound to take the option if it reached $500,000; otherwise he might go on with his litigation. There was also an intention in one of these sections to secure some proceeds that were said to be in Walker Brothers' possession. It is stated in the contract that they had $500,000; but that is not the fact, as was afterward ascertained. They did not have anything like that amount in their hands. They did hold a portion of it, as they were the responsible parties, to protect them against any litigation that might come, and they had some bonds in their hands, and I was endeavoring to get that secured, if I could, but that was all that anybody ever talked of as the past proceeds of the mine which could be got hold of. Mr. Lyon knew this very well, for after the contract was drawn up we conversed about it frequently. He wanted to know if that prevented him from bringing suits against Woodman, Chisholm, and others, who had taken money out of the mine; he wanted to know, after this suit was over, if he was thus precluded. I told him there was nothing in the contract to that effect; that the contract had reference to nothing except the proceeds of the mine and this matter that might be in the hands of Walker Brothers; that as to the balance he had his right of action, but I told him I would not give anything for it, and that was well understood between us. When this contract between Lyon and the Emma Company, printed on page 7 of Mr. Lyon's testimony, was drawn up, it was the best I could get. Mr. Hillyer took it and proceeded to Salt Lake. Mr. Hillyer was going out to take the necessary steps, have the papers prepared to obtain this patent. I wrote a letter at that time, which is exhibited here:

NEW YORK, *August* 5, 1871.

FRIEND LYON: Hillyer will start in about twenty minutes. He will explain to you the arrangement. It is not as good as I tried to get, but after three days of talk it was the best I could get. The plan has this advantage, that we will not be fighting for a worked-out mine. The litigation will not be injured, and if we gain the case we shall recover something besides the right to bring other lawsuits. They have worked the mine up so in England by the ore they have sent, and the manner of sending it, that I have no doubt of a sale from five to eight millions.

I have seen their correspondence with the two English houses to whom they sent the ore. They are crazy about the mine. The Emma party have been working all the time to put up the reputation of the mine. I have refused to give up the lawsuit under any circumstances unless you get $500,000. You will, without doubt, get that.

WM. M. STEWART.

This I sent to Mr. Lyon, and he and I and everybody perfectly understood what it meant at the time. He said to the committee, in answer to the question, "Does that refer to the Emma mine?" "Certainly; he regarded it as worked out." Mr. Lyon knows very well that that is not true—that it had reference to our repeated conversations and efforts to get an injunction. There were repeated conversations between him and me, in which I had said to him that mines were liable to be worked out; here were six or eight and may be ten years of litigation before us; we were spending Mr. Chaffee's money. We had talked it over with Mr. Hempstead and Mr. Hillyer and a good many others, and it was the complaint which we made in Salt Lake that we had no chance at all to get a trial, and that if we got this injunction it gave us something to fight for, and we would not be fighting for a worked-out mine. He knew that this matter had reference to that and nothing else. He told me that he believed in the mine, and I believed in it also. I am confident that he did

believe in the great wealth of the mine. I was not allowed to go in the mine myself. I did not see it, but I have had considerable experience in mining, having been engaged in it for twenty-five years—not as a stock speculator, for I never was one, but as a miner, first with my own hands for two years. Subsequently I have been practicing law, but I also have been engaged in mining litigation during all that period, and I have visited nearly all the mines in the United States, and am as familiar with the subject as possible. I examined this formation at this mine and it seemed to me a most favorable one. The line of the mineral formation could be traced for miles; it was obvious on the surface. The ore was of a higher grade on the average than I had ever seen it in any camp before. I had the utmost faith in it—not a doubt about it, and that opinion with regard to the property is not changed yet; I have the same opinion now.

By Mr. SPRINGER:

Q. If it were as good as you thought it was then, how long would it last in an ordinary working?

The WITNESS. I did not think it would work out in twenty years entirely. But, understand me, ore-bodies come and go; all great mines are in bonanzas; but they might get into lean pay. The idea of dragging along a litigation of six or eight years was not agreeable; I did not propose to give any attention to it for that length of time and not bring it to a result. I did not propose to keep Mr. Chaffee out of his money for that length of time. A protracted litigation for a mining-claim is a very precarious business. I would not to-day give anything for the right to recover an interest in any large mine six or seven years from now. Mines have their ups and downs, and everybody familiar with mines must know it. I have been very familiar with these bonanzas. I could give you a history of nearly every one. The Gould & Curry paid enormous dividends for three or four years, and challenged the world; the stock was selling at the rate of $5,000 a foot for the mine. In 1863 they struck barren ground, and have been in it ever since. They are now down over 2,000 feet, and the stockholders have paid assessments ever since. That is the fate of that mine. The Ophir, another great mine on the Comstock, paid dividends the earliest of any of them for about two years, and quit in about 1862; and they have paid assessments ever since. The celebrated bonanza mines that are now astonishing the world and depreciating the price of silver were sold for a song five years ago. They showed something on the surface, and now down at the depth of 1,100 feet there opens up the most enormous bonanza known in the world. Mining-property here that could have been bought for a few thousand dollars five or six years ago is now worth a great many millions, and they are taking out millions every month. I knew all about the history of the Crown Point and all these mines. I was familiar with the Comstock, and this formation here was the most favorable outside of the Comstock that I had ever seen in any country. And while I believed they would continue to mine on this belt longer than any of us would live, I also knew that they might get into barren ground, and I did not propose to devote my attention to securing the right of litigation against a man six or seven years hence. Mr. Lyon understood this perfectly. But that this was in a good mining-belt and a good mine, and that in all human probability with ligitimate working it would be remunerative, I had no doubt. I had no intimation of any weakening in it, and for a mining enterprise I believed it to be among the best. And my opinion

of it has been vindicated. Right along upon the course of the san vein are other mines which I visited myself this last fall. There are th Flagstaff, the Vallejo, the North Star, the Titus, and the South Sta The Flagstaff is now down to the depth of some 800 or 1,000 feet upo this same vein, and I am told they have an enormous vein there, thougl I have not been in it lately. I have seen, however, the testimony of ex perts who have been examining it for some 40 feet in thickness, down at that depth. So, also, with the South Star and Titus; there is a claim of 200 feet there, the value of which they undertook to prove in court the other day, and all the witnesses put it at over a million. That is in this same vein. Then the Vallejo mine is taking out ore, while the Emma is doing nothing, but has been practically abandoned. There has been a railroad built up to this same cañon to work this same vein this year, and though I do not know the exact amount taken out, they have taken several millions out of this vein in other mines; and there are 2,400 feet of the Emma, and the best of it, and the finest bo nanza outside of the Comstock ever seen, lying idle.

Mr. WILLIAMS. What do you mean in referring in the letter to the manner of sending the ore?

The WITNESS. This was a hurried letter; but my recollection of the meaning of that is that this ore was very publicly sent—it went by the Cunard steamers—and that it had been advertised in the sending of it I had been hostile to these parties up to this time, and I saw the ac counts of sale and various letters. After we had made this contract I looked at those a moment and wrote this hurried letter.

Mr. WILLIAMS. "They have worked the mine up so in England by the ore they have sent and the manner of sending it, that I have no doubt," &c.

The WITNESS. Yes; "the ore they had sent." They had sent it in regular shipments to two prominent houses, Bath & Son and Lewis & Son, and it had been sold in a very public way and everybody knew al about it. The correspondence I saw in the office at that time when I wa allowed to look was exceedingly extravagant, away beyond anything that anybody else had named as the amount.

Mr. SPRINGER. Do I understand that this letter of August 5, to which you have referred and of which you are now speaking, is an expla nation of the contract you had signed on behalf of Lyon and Baxter and the Silver Mining Company?

The WITNESS. Yes, sir.

Mr. SPRINGER. And you were writing the explanation of it?

The WITNESS. Yes.

Mr. FAULKNER, (in the chair.) It is dated some time before the con tract. The contract, you perceive, is dated the 18th of August, an the letter August 5.

The WITNESS. O, but I wanted to hear from Lyon before the con tract was consummated. It was drawn up and a copy of it sent to him b Mr. Hillyer in connection with this letter. The letter was in explana tion of the contract that Mr. Hillyer was taking out to Salt Lake whre Mr. Lyon was.

Mr. HEWITT. Was not this letter intended to convey to Mr. Lyon th idea that the parties in possession of the Emma Mine had been workin it up so as to give it a fictitious value in the eyes of the public?

The WITNESS. No, sir.

Mr. HEWITT. Is not the general tone of that letter designed to ind cate to Mr. Lyon that that mine had been put in such reputation wit the public as to be more valuable than it was in reality?

The WITNESS. No.

Mr. HEWITT. Is not that the general effect of that letter? Was it ıot intended to produce that effect upon Mr. Lyon's mind?

The WITNESS. No, sir; it was not intended to produce that effect pon Mr. Lyon's mind, but because we believed very thoroughly in the ıine. But I told him that they had taken this mode to show him that was likely the sale would be made; that they had taken care that the ·e had been sent in a very public way, by the Cunard steamers, and ı the first houses; that they had done that and given the mine a legit- ıate reputation.

Mr. HEWITT. The language is this: "They are crazy about the mine. ıe Emma party have been working all the time to put up the reputa- ɔn of the mine." In saying that they were "crazy" about it you meant at they had a very false estimate about it, didn't you?

The WITNESS. O, they thought it worth a great deal more than any- ɔdy had talked about. They spoke of its producing hundreds of mil- ɔns, and all that kind of thing. I saw some letters there that I thought ere foolish. But when we were coming down to the serious value of ıe mine, the contract-price was about what Lyon and I, and all of us, ıought of it. This option to allow them to take $1,500,000, and then ɜ to take his one-eighth of the balance, and our expectations under the ɔtion—we really thought it might reach $500,000.

Mr. HEWITT. But the letter says: "The English people are crazy ɔout it, and they will undoubtedly give a very large sum of money for "—from five to eight millions, you say; and you say they had been orking the mine to make up this reputation, and, therefore, if they ɔld, Lyon was liable to get a great sum of money.

The WITNESS. Yes, sir.

Mr. HEWITT. I ask you, for the purpose of explanation, whether it as not to show to Lyon that the impressions about this mine were raggerated, and that he was going to get a very good bargain by rea- ɔn of the fact that they were exaggerated?

The WITNESS. No; not that it was exaggerated, but that the mine had een well advertised, and could be sold. There had been nothing said. he ores had been sent there, and it had been well advertised, and ɔuld be sold. I was giving him all the information I had on the sub- ·ct. He knew the reputation of the mine, although at the time he had ot been in it, nor had I.

Mr. BANKS. Mr. Stewart has said already that their ideas in England 'ere of a character not current among the people about the mine at ll.

The WITNESS. O, certainly not. In the figures of Bath & Son and ewis & Son there were various estimates, and extravagant ones, about ıe vast amount that would come from it. I looked them over, and gured up the sums it would yield if it continued so many years at ıat rate. This contract embodies about what Lyon and myself and ıe parties dealing with it thought of the mine. I thought then that ve millions was a very reasonable sum for the mine.

Mr. HEWITT. Won't you explain what you mean in the letter by the hrase "a worked-out mine?" You mean worked out in what sense?

The WITNESS. I mean this: that we had made efforts for several ıonths to obtain an injunction, and to obtain a trial; that we had ex- austed every effort, and that it was perfectly clear that it would be ears before we could have a trial of the case; that during that litiga- ion these parties were working the mine; that Mr. Lyon had sworn in epeated affidavits that they were destroying the very substance of it,

which was the fact; they were taking out the mine; and that we ha got to be delayed for years before we could realize anything in the ord nary course of events; that we should have an agreement that on third of it should be deposited when the sale should take place, an then we would be fighting for the substance, and not the mere she after they had had a number of years of working the mine. The ve thing we complained of was that they had been left in possession of tl mine, and this arrangement would have the effect to give us all that a injunction could give us. That was the way he understood it, and was the truth.

By Mr. SPRINGER:

Q. You spoke of "a worked-out mine." Who had possession of tl mine at this time?—A. The Emma Company. Lyon and myself ha not.

Q. What was the Emma Company?—A. It was a New York corp ration.

Q. There were two Emma Companies?—A. There have been thr companies.

Q. The company that then had possession of it was the Emma Mi ing Company of New York?—A. Yes, sir.

Q. Mr. Lyon was about to get an injunction to restrain them fr working it?—A. He tried it and failed.

Q. If he had succeeded in getting an injunction, and stopped the from working it, would he have "played out" the mine in the mean tim by stopping work upon it?—A. Had he succeeded in obtaining the junction we would never have settled unless we had secured a go deal better terms.

Q. If you could have obtained your injunction, could anybody ha worked it out?—A. No; but we could not get the injunction.

Q. They were still working then?—A. They were still working.

Q. Did you suppose that there was no power in this Government which you could assert your rights in this mine under six or eight yea another party in the mean time exhausting it?—A. I not only thoug so, but it is true. It has been so demonstrated in every mining case importance in Utah up to this time.

Q. Was that the reason you wanted this judge removed—that y could not get justice in Utah?—A. That was one of the reasons we h at that time. I think now that, as far as he was concerned, he wou have done what he thought was right.

Q. When did you determine that he was a good judge, and that y could have justice done by him? I understood you to say that you h explained to Judge McKean that you had been mistaken about hi and that you believed you could get justice before him, for he was honest man.—A. I did think he was an honest man, and I went a apologized to him. I apologized to him when I found out what Jam E. Lyon was. My main reason for opposing him was the statem of James E. Lyon that Judge McKean had made improper approac to him, and when I found out the character of James E. Lyon I rever my opinion on the subject.

Q. If this was Lyon's ore that came out, and it was Lyon's mine, co you not have attached the ore in New York or *in transitu*, and appeal to any other court in the country, and stopped the shipment where was?—A. No.

Q. Do you say that, if this ore belonged to James E. Lyon, he co

not have attached it at the depot, in New York, or anywhere outside of Utah, as well as in Utah?—A. No.

Q. Don't you understand that to be the law?—A. They were in possession and claiming title.

Q. Mr. Lyon claims that the property, was his?—A. They claimed that it was theirs. That was the question to be tried. That would have been a very inadequate remedy.

Q. If this was his property, they had no right to take it anywhere. He could pursue it wherever he could find it.—A. You might have been able, had you been there, to have got a shorter remedy than we did. We could not.

Q. Were you not anxious to impress upon Mr. Lyon the great necessity for making this contract?—A. No.

Q. And that it was a desperate case?—A. No.

Q. You did not want him to believe it was a desperate case and required a desperate remedy?—A. No; I did not do anything of the kind. I did not impress it upon him at all. He was anxious to make the contract.

Q. You stated that you had no doubt that you could get $500,000 for your share in the concern if this contract was signed. Did he get that money?—A. No. If you will let me go on, I will tell you all about it.

Mr. SPRINGER. Well, go on.

The WITNESS. No. That expression, "a worked-out mine," had reference, purely, to the possible result of his litigation. You will observe the language of the letter in that connection:

> The plan has this advantage: that we shall not be fighting for a worked-out mine; the litigation will not be injured, and, if we gain the case, we shall recover something besides the right to bring other law-suits.

That is the explanation of it. It was perfectly understood by Mr. Lyon, and perfectly understood by my colleagues in the case, Mr. Hillyer and Mr. Hempstead; and I think we made about as strenuous efforts to establish Lyon's claim that summer as any set of men ever did, because I felt that I had got Mr. Chaffee in it and we were spending his money, and, besides, I felt a little pride in succeeding any way, and did everything I could; and when I secured this agreement I felt very much gratified, a feeling which Mr. Lyon shared with me when he came to New York. We looked over the contract together, talked about its various provisions, and, after we had discussed it, and Mr. Lyon was decidedly pleased with it, it was agreed that I should go to Europe with Mr. Park and look after Lyon's interests in this matter. It will be seen, by the contract, that the mine was to be sold by the mutual consent of Mr. Park and myself. A sale of the mine was contemplated. Mr. Lyon was not there at the time, and I inserted the provision that my consent should be necessary to a sale of the property in order to prevent any sacrifice of the property, and to protect Mr. Lyon's interests. I was willing that Mr. Park, who knew more about it than I did, and who had a large interest himself, should make a sale. In fact, I preferred that he should sell and have the money deposited, and, if necessary, litigate for that; or, if it came up to our option, we could take our option. I did not apprehend any such sale as should be a sacrifice of the property, conceiving that it would be a fair sale; but I intended to leave it entirely to Mr. Park's judgment to fix the price for the property if sold. Mr. Lyon says that I agreed not to consent to any sale unless he received $500,000. That is not true. There never was any such arrangement as that. He made a suggestion to me at one time. After I had read the contract over and showed its advantages,

said he, "Well, when they get the sale started you can object, and make them come out with the $500,000." "Why," said I, "Lyon, that won't be according to the spirit of the contract; it can't be used for anything of that kind. That is only intended to provide a veto in case there is any wrong contemplated in this matter." He acquiesced in that as all right and satisfactory.

Mr. Lyon speaks also of having paid my board bills in New York, giving me money to go with, and giving me a letter of credit. It will be seen by the original contract with me that he was to pay my expenses. I did not charge nearly all my expenses to him. I got as little as I could because I knew it was going to come out of Mr. Chaffee's pocket, and I wanted to proceed in the matter as economically as possible. He says he paid me $200 for expenses in New York. Very likely he did. He gave me a letter of credit on Mr. Moffat, a partner of Mr. Chaffee, who was in Europe; and I got a thousand dollars from him. But this was strictly in accordance with the contract.

Mr. Park and myself went to Europe. On our arrival there we went I think, to the Westminister Hotel—at all events, to one of the public hotels; and before we had gone to our room the first night, a gentleman by the name of Fisher, whom I had never seen, called on us, and said that some parties there desired to purchase the Emma Mine; that there was a broker's firm there by the name of Coates & Hankey that wanted to purchase the mine; that they had been examining it and had obtained a good many facts in regard to it, and they wanted the first opportunity to purchase. I went around to those gentlemen the next day or the day after, with Mr. Park, at their request; they wanted to see us. We called in there. Mr. Coates said that he had heard considerable about the Emma Mine, and that if he could purchase it on reasonable terms he desired to do so. He pulled out the drawer of his desk, and said that he had a list of gentlemen, rolling up a paper meanwhile, who were clients of his, and who had authorized him to proceed with this negotiation. I thought that was a little fast, and told Mr. Park so when we left. Mr. Park and he talked. I did not participate in the conversation because I was representing only a small interest, though willing that it should be sold, and anxious for that result. I listened to the conversation. I think a day or two passed by, and they then arrived at this understanding: Mr. Coates was to put up $2,000,000 (£400,000, I believe it was) to place the stock of the mine at $5,000,000, he to take one-half of it at $2,000,000 net, and to organize a company and put the stock upon the stock-board at London. That was the understanding they arrived at after the usual banter and negotiation.

The question as to the preliminaries then arose. Mr. Coates said he wanted an examination made of the mine. Mr. Park remarked that of course everything was done subject to an examination of both the mine and the title; thatof course if they were not satisfied, nothing was to be done. Mr. Coates then wanted to know if some man of reputation could not be got to examine it. I immediately remarked that there were a great many good men in America who were competent to examine the mine, but that if such a person were to be selected, he (Mr. Coates) ought to make the selection, irrespective of Mr. Park or myself, and without any suggestion from us. Mr. Park said most certainly he would suggest nobody to make an examination of a mine which he had for sale. I then suggested that we adjourn and meet the next day. We did so, and met accordingly the following day. Mr. Coates said that he had made inquiry among scientific men, and mining men and that he desired the examination to be made by Professor Silliman. Mr. Park said, "All right." Mr. Park did not then know Professor Silliman; I did. Mr. Coates then

aid, "How will we get him to make the examination; he will not know s?" He proposed to telegraph to him and have him send back the eport by telegraph. Mr. Park said, "Well, I will telegraph to Baxter o pay hischarges, and you in your telegram may refer him to Baxter." 'hey then drew up the points as to which they wanted an examination f the mine, and Mr. Coates arranged them. One of them, I think, did he writing and the other suggested the points, and at the bottom of he dispatch they referred him to Baxter for compensation. A dispatch vas sent to Baxter at the same time. Mr. Park and I then went to Paris, where we remained eight or ten days. Soon after our return we heard from Mr. Coates that he had received Professor Silliman's report by telegraph. The next morning we called on Mr. Coates. Mr. Park asked him if this report was satisfactory, and Mr. Coates replied that it was. Said he, "Then I suppose we can proceed to business." Mr. Coates said, "Yes; but," said he, "my clients, or some of them, are out shooting in the country, and it will take a day or two to consummate this thing, but," said he, "it is all right, I assure you." It went along for several days, and I told Park that I did not think this man was going to carry this thing out. He then wrote a letter to Coates and Hankey, saying if it was not fixed within a given time—I think a day or two—the trade was off. He got an answer requesting him to call around, and saying it would be all right. I went with Mr. Park again to Coates and Hankey. Mr. Coates met us and took us a short distance to another office and introduced us to a gentleman whom he called "Baron Grant." Mr. Park, assuming that the transaction was going on, said, "Is this the gentleman who is going to pay the money?" Grant looked puzzled and said, "What money?" Then Park looked around at Coates and said, "What does this mean; why have you brought us?" Coates could not give any satisfactory account of it, and Park was getting indignant, and there seemed to be a sort of "comedy of errors" being played there at a very rapid rate. They did not seem to understand each other. Mr. Grant then touched Mr. Park on the shoulder and called him aside. In a few minutes they came to me, and Mr. Park introduced me to Mr. Grant, saying that I was interested in looking after my clients' interests in the mine, and that it was proper to talk before me. Mr. Grant then inquired about America and the mining country generally. He asked me what I knew about the Emma Mine. I told him I knew nothing about it, except that it had a good reputation. That I had not been in the mine, but I liked the formation very much. He then invited us to dine with him, which we did, and we then talked over the matter generally. Mr. Park and Mr. Grant, after a few days, made a contract for the sale of the mine. I do not know that I ever saw the contract myself, but Mr. Park informed me of its provisions, and I learned sufficient of its general tenor for my purposes. As I recollect it, the contract was about to this effect: That the mine should be stocked for five millions, and the stock issued in England for that amount. That Mr. Grant should have £100,000 of the stock, leaving $2,000,000 of the stock to be put upon the board. The other half was to be retained by the vendors for nine months. Then Mr. Grant was also to have one-half of the premiums on all the stock that was put on the board; that is, one-half of what it sold for above par. He was also to have a commission on the sale of the other half held by the vendors whenever that was sold, but I do not recollect the exact rate of commission. These were the general features of the contract. I assented to this contract on the part of Lyon because I was willing that Mr. Park should make such a sale of the mine as his judgment dictated.

After this was done I began to see that I could not stay in England

long enough to follow the matter to a conclusion, and I was not willing to take the responsibility (although he authorized me to do so) of exercising the option held by Mr. Lyon.

By Mr. HEWITT:

Q. What was the date of that; do you remember?—A. I do not remember the exact date; it was in November. The date of the prospectus, I suppose, will show about the time that this thing occurred. I have not been able to look at any of these papers for dates. The company was organized the 9th of November.

Q. What I want to know is, how long was this previous to the 9th of November that the arrangement with Baron Grant was finally entered into?—A. I suppose it was then within a week or two of being perfected. I do not recollect exactly the length of time.

Q. Not exceeding two weeks?—A. I would dislike at this time to fix a date for that. The papers will all be here to show the exact time. These negotiations all occurred between the 20th of October and the 9th of November.

By Mr. BANKS:

Q. You are speaking now of the negotiation out of which came the final contract?—A. The final contract.

Q. The negotiation with Coates was abandoned?—A. Yes, altogether. I never knew whether Grant had anything to do with sending Coates to us or not. The ways there were, to me, very peculiar. I was a little astonished at a good many things that were going on in the way of dealing in stocks. I observed that the English people were smarter a good deal than the Yankees in getting their "pulls." I then discovered that I could not remain there to close this business up, and wrote Mr. Lyon the letter incorporated in his testimony, (page 11,) dated November 3. I wrote this at that time thinking I might make some settlement if he would telegraph authority, but I would wait for that.

The letter is as follows:

LONDON, *November* 3, 1871.

FRIEND LYON: Silliman's report was satisfactory, but the parties who had the contract to buy the mine failed to raise the money, and the trade fell through. We made another arrangement with a party to put the mine on the market. I have great hopes of success, and that your interest will reach $500,000, but it may not exceed $400,000. I am certain that, whatever it may be, we had better make a final settlement before I leave here. I wrote to Mr. Hillyer to see you and authorize by telegraph to settle. We want what we have in our hands. You cannot imagine what trouble I have had. There are hundreds of mines here for sale, and we have some bad sales to contend with. We are compelled to show that the Emma is an exception, &c. I have been compelled to fully identify myself with the sale, which I did not intend to do. If you want to make a final settlement telegraph on receipt of this, or as soon as you see Hillyer. I told him how to do, but if he fails to attend to it or doesn't get the letter, telegraph what I shall do.

Yours, truly,

WM. M. STEWART.

A day or two after that, as I saw it was useless for me to think of staying longer in England, I telegraphed to Lyon to come over immediately, which he did, arriving on the 20th of November. The prospectus had been put out, the shares had been subscribed for, and some money paid in, I suppose. I heard there was a large amount paid in. Some had paid in only the amount necessary to warrant their subscriptions, but the settling day had not arrived when he came, so that the allotment had not been made. I then told him why I had sent for him. Said I, "Here is your contract. I cannot stay to see this thing through. I want to consult with you and let you take the responsibility of deciding what shall be done." I explained the whole situation fully to him.

Said I, "The first thing is to determine the option. It is not going to reach $500,000, and I do not now think that it will exceed $300,000, although it may. I want you to decide what we shall do. If you say we shall refuse to take the option, why, I will notify Mr. Park, and we will have one-third of this deposited." I had not received one cent of money for Lyon at all. I did not touch his money at all, nor did anybody else. On the contrary, the whole thing was left open for him to act as he chose. He intimates that I brought him there to swindle him. I got him there because he was my client and I wanted him there, as the matter had changed, to decide what to do. If he wanted to have one-third of it put up and to go on with the litigation, I was willing to take that course. I told him that the option would probably amount in the neighborhood of $300,000; it might be more than that. He asked me what had been expended. I told him of this contract with Grant, and that there were other large expenses; that everybody in England wanted a "pull;" that I never had seen such a place in my life, and that I was very much disgusted. It was the first time I had ever been in the stock business.

Mr. Lyon says I told him about General Schenck and Mr. Silliman. I told him nothing of the kind. I had no intimation at that time what contract had been made with Silliman. I had not heard from Silliman at all; I only know about the telegrams sent and received by Coates & Hankey. I told Mr. Lyon nothing about General Schenck. But I told him that the bulls and bears of England were a very rough set of people; that I had observed that; that everybody who looked at it wanted a "pull," wanted an interest in it.

Q. For what?—A. For their services, for the use of their names; and they do it very boldly. It was something I had never seen before in any country. I had never been in the stock business; but I concluded we would not get as much as $300,000 out of it, and my advice to him was to stay there with Mr. Park, and send me the money. Well, he said Mr. Park would swindle him; he dare not trust Mr. Park. "Why, Lyon," said I, "there is no use of your being afraid of Mr. Park. You have got this all in your own hands. Here is your contract, that requires him, if you so elect, to put up one-third of this." "Well," said he, "you say it is tied up." Said I, "It is the agreement. It is tied up, certainly. You have consented to that thus far; but," said I, "there is no difficulty in setting this apart, subject to your contract. The contract can be enforced. If it is not carried out, you can go into a court of equity pretty quick, and compel its enforcement. The power is in your hands. The stock has been subscribed for and the money paid in; the stock is there." I told him why I had sent for him. Said he, "I want you to stay; you are the only person that ever stood by me right through, with all the facts—you are the only man I can trust in the world." Said he, "You have gone the whole length for me; now, you stay." I told him I could not stay away from the Senate; that I had given more attention to this thing than I had intended. He said yes, that I had done more than he expected. Said I, "You send me what money comes out of it, and if there is anything wrong, you get out a bill in equity and make them put up one-third. But if it is coming out right, I think that you will get your $300,000 at all events." Said he, "I wish you would buy me out." "Why," said I, "Lyon, you know I am in no position to buy you out; I cannot do that; I have not got the money—not a cent to buy you out with." "Well," said he, "you can get Park to do it; Park has got money." Said I, "There is some money coming in on this, but nothing has come to us yet. Park can get

money on this. Park certainly will have money in a few days; no doubt about that." Said he, "You see Park and ask him to buy me out." I went to Park and told him that Lyon felt very badly about my leaving, and wanted me to stay by him, but that I could not do it, but that he wanted me then to get him (Park) to buy him out and make a final settlement before I left. Park said he did not like to do that for the reason that when the one-half was closed out, when that was settled, he expected to go to the United States; that he had a lawsuit in Vermont with Vanderbilt with regard to a railroad there, involving $300,000, and if he were not present he would lose that lawsuit, as nobody knew the facts but himself or could properly attend to the case unless he were there, and it was very important for him to go. He said, "We had better let the thing go, and let Lyon take his interest in it." But I knew that Lyon felt badly about it and wanted to settle, and I told him I did not want to leave there unless Lyon felt all right about it. Said I, "I am going to put it in whatever shape suits him before I leave. If he says that one third of this shall be deposited, I am going to attend to it before I leave. I am going to put this in a shape to suit Lyon before I leave." I then left Mr. Park and told Lyon what he had said. I subsequently called again on Park and had further conversation. Park then said to me, "I have been thinking that an arrangement might be made which would make it my interest to stay here." Said I, "What is that?" Said he, "I am taking all the responsibility in this matter. I have made this contract with Grant. These fellows are constantly making pulls on it, and I have got to go back and have a settlement with them, and I am going to propose to the stockholders over in America to give me a percentage of their stock and sell it out. If they will do that I will stay here, and in that event I will advance the money to buy out Lyon." "Very well," said I. I went back and told Lyon that Park had proposed a way to settle the matter. When I told Lyon I thought it would be $300,000 he said that he would like very well to get $100,000 for his part; that that would be entirely satisfactory to him, if he could get that amount net; that $50,000 would pay Hempstead and his other lawyers, re-imburse Chaffee, and leave him $100,000 net. He said, "One hundred thousand dollars for me, being out of debt, is a better fix than I ever expected to be in in my life, and if you can arrange it in that shape to give me $150,000, and let me go back and pay all my debts, I will have $100,000 ahead and be in a very fine fix." After having this talk I said that if I had $150,000 I would not hesitate a moment to buy this. One-fourth of it was coming to me—that was $200,000 for the whole thing, and one-fourth belonged to me. I then went back to Park and commenced to draw an agreement, an option on Lyon's interest for twenty or thirty days, in order to give me the opportunity to go to New York. The drawing of it in detail seemed a little long, but Park said, "Why not make an assignment of Lyon's interest, and you give me your note, put your note and this assignment up *in escrow*, to be delivered to me in case you telegraph." Lyon said, "That is a great deal the best way; and," said he, "Park, you draw it." Park got up and drew a short assignment, and I signed a note to Park for $150,000. Then the first proposition was to deposit them with Jay Cooke, McCulloch & Co., but Lyon said "that there was no use in going down there that there was a box in Park's room." Said he, "Put them in there to be drawn by Mr. Park and myself, if the trade is on; if it is off, I will take them." Said he, "They will be delivered to Mr. Park, and the note and the bill of sale will be handed over to me in case you so telegraph

at arrangement was made. Mr. Park advanced to him the amount ich he wanted at that time, which, I think, was £1,000. Mr. Lyon s exceedingly grateful to me for what I had done. He treated me th great kindness, and, I think, he went clear down to Liverpool to me off. At all events he followed me to the depot, furnished me th cigars, (which he knew I was fond of,) and was very grateful. ow," said he, "be sure to fix this so that I can get this through; do t fail." Said I, "I am afraid I will fail in the matter; I do not have ich faith that this contract that Mr. Park has given me can be car- d out. I do not believe the parties on the other side will sign it." I d him in substance what it was. There was no secret about it. The ntract was there—he drew it up himself. They were to take 50 per nt. net for their stock, and he was to pay all the expenses of every nd. I did not think that they would do that—that they would take 50 per cent. net—and I told him so. After this contract was made t Park said to me, "How will you stand if this thing is fixed with on?" Said I, "I am to have what is to come out of it." Said he, "I ll do better than that by you; if the contract is signed over there I will e you a commission on what I get." Said he, "I will make some money you if that contract is signed." I had no faith that I would get control; it was his word for it, in that way. I came over to New rk, and the parties got together and manifested a greater willingness sign the contract than I had anticipated. I hardly knew how to ount for it. I made no statement to them, except that the expendi- es were large, and that the Englishmen were pulling on it, as I had n over there distinctly. Their readiness to sign it was afterward tty clearly explained to me. These parties on this side, the original ners, were all this time running another tunnel, known as the "Illi- is tunnel," into the same ground, and claiming the ground as a sep- ate vein, and had had one of their superintendents in it, Mr. Mat- ws, who was superintendent of both companies. I knew nothing out this at the time they were making this contract. Here were oodman and Chisholm and all hands running a tunnel for the same which we claimed, and were going to claim it under another title, d it was very natural that they should desire to get rid of their ck before they broke in. They broke in a few months after- rd, and that explained their readiness to make the sale, which to that time was a mystery with me. This occasioned a big wsuit, of which you will hear something before I get through. hen said to them, "How are you going to arrange as to the num- r of shares each shall have? Here is this Lyon interest, which is e-eighth after $1,500,000 has been paid to the Emma Company; how ll you arrange this so as to know the number of shares that you are ing to get put into this contract?" We talked about that subject.

By Mr. FAULKNER:

Q. With whom was this conversation?—A. With the owners in New rk, when we were fixing up the contract as to which Mr. Lyon has stified, and by which they agreed to give up fifty per cent. of it. Each e was giving the number of shares that he was to sign for. Then we d to figure up what should be allowed for the Lyon claim, and, of course, ving taken all the chances of the Lyon claim, I wanted to get it as rge as I could. I told them that they ought to give in on that as much one-tenth; that after $1,500,000 was paid that would be something ore, but that they ought to do as much as that. I finally got them to ree to one-tenth, which would be 5,000 shares. Then I signed the

contract with Mr. Park to take fifty per cent. on the 5,000 shares. Lyon says I did that as a "decoy duck." I did not do it as a "decoy duck" at all. I was willing Mr. Park should take that, and to leave it entirely to his generosity how he would treat me. He made this remark about giving me a commission on the other, and I was entirely willing to leave the matter to him, because that secured me in what I regarded as a pretty good thing. It fixed the amount of Lyon's interest at $250,000 anyhow. I had agreed to pay Lyon $150,000, and that would leave for Mr. Hillyer and myself $100,000.

By Mr. HEWITT:

Q. I understood you to say a moment ago that the $150,000 contract was assigned to Park and not to you.—A. No; he assigned his interest to me.

Q. Then it was your property and not Park's?—A. It was my property, and not Park's.

Q. Then you were making this bargain for yourself and not for Park?—A. Yes, sir; for myself.

Q. Then, do you say you signed Park's name as subscriber?—A. No, I signed my own name. I acted as his attorney, and signed the agreement with them; but I signed as subscriber for 5,000 shares in my own name, and would have been entirely satisfied if $250,000 had come out of it, because I had agreed to pay Lyon $150,000.

Q. You say Park had not agreed to the arrangement with reference to the 5,000 shares?—A. That had been agreed to, as far as the others were concerned, but this was to be sent to Park for his action. I got them to agree that they would allow a deduction from their interest at the rate of one-tenth of the whole.

Q. Let me understand distinctly; you signed Mr. Park's assent, but you say he had agreed to sign it?—A. I did not sign his assent to it.

Q. As his attorney, I thought you said?—A. I signed his assent to the general proposition, but they were not all there to agree that there should be 5,000 shares though they were all either there or on the other side. Those who were there agreed that it should be 5,000 shares. I signed for the 5,000 shares, and I signed his general assent to the contract. I then sent the contract to Mr. Park, leaving him to treat it as he pleased.

Q. You thought it to be good as against the others and not good as against Mr. Park?—A. If he felt disposed to repudiate it.

Q. That is, some portion of the 5,000 shares might be a deduction?—A. Might be a deduction; but, if it was a deduction on that, we would fail to take on the original contract; so I left that with him. He might not consent that there should be 5,000 shares, and he might choose to take the option under the contract, which would be in the neighborhood of $300,000, I thought, and I signed in that way and left it to him without any other understanding. The manner in which it should be arranged had not occurred to us; I had had no conversation with Mr. Park about it before I left.

Q. Mr. Lyon in his testimony (at page 13) says that you told him, "We gave General Schenck 5,000 shares of stock." Do I understand you to say that you never said such a thing to Mr. Lyon?—A. I do say that, most emphatically. I never told him anything of the kind.

Adjourned.

COMMITTEE ON FOREIGN AFFAIRS,
Washington, D. C., March 22, 1876.

Hon. WILLIAM M. STEWART, recalled, further testified as follows:

In my testimony yesterday, I arrived at a point where it becomes proper to state the connection of General Schenck with this business. He arrived in London a little before the middle of September, 1871, where I met my wife, and Mr. Park had his family with him, and also his son-in-law with his family. After a day or two we found quarters at Edwards's Hotel. I was very well acquainted with General Schenck, and saw him soon after my arrival; saw him several times. No mention, however, in these first interviews was made of the Emma Mine, or my business connected with it. In a few days, and while these negotiations of which I have spoken were pending with Coates and Hankey, Mr. Park's family left. Mr. Park was occupying large and commodious rooms at the hotel, and continued occupying them after his family left, for a very short time, when Mr. Evarts, of New York, called at the hotel to get rooms for his family, and Mr. Park surrendered those large rooms to him. Within a day or two after Mr. Evarts took possession of the rooms, he gave a dinner to General Schenck, and invited Mr. Park and my wife and myself. During that dinner, conversation occurred with regard to the Emma Mine—general conversation. Some inquiries were made as to what it was producing, &c. Mr. Park remarked that he would probably put it on the London market; that he was there to look after that matter, and that he had some negotiations pending in that direction. It was either after the dinner or the next day, I think, that I had a conversation with General Schenck about it, and he said that if it was a good thing he would like to get some of that stock. I told him I thought that it was a good thing. He said if he had some money he would buy some, but the trouble was he had not the means; and he remarked that in every speculation he had ever gone into, he had always lost money; that he never made money in any speculation.

The conversation went on in that way for a little while. It was, perhaps, the same evening that I told Park what Schenck had said, and I suggested that the arrangement he was talking of would leave half the stock still in the hands of the vendors, and that he might let the general have some. He said he was perfectly willing to do so. I further suggested to him that he might carry it for him for a time, as he was going to hold the stock—a thing very commonly done in my country among friends, when stock is put on the market. Park said that he liked General Schenck very much; that he had known him all his life by reputation, and that Solomon Foot, formerly Senator from Vermont, had often said to him that he was very like Schenck, and used to call him "Bob Schenck," "and," said Park, "when I get acquainted with him I like him very much, and I would like to help him, and I will let him have some of the stock." Afterward, we met frequently before we went to Paris, during these negotiations, as I stated yesterday, and the thing was talked of from time to time. Park said to Schenck that he should have some of the stock. I did not hear every particular conversation as to how much or upon what terms; but it was understood that if it was put on the market the general was to have some of it. We then left for Paris, and were gone some time. When we came back we met General Schenck again, and this same thing was talked about. The general, as he was to have an interest in the stock, felt an interest in talking about it with us.

Finally, these negotiations were broken off with Coates and Hanke—as I said before, and negotiations commenced with Grant.

Mr. MONROE. Will you please state once more about what time this was?

The WITNESS. The conversation commenced in September and occurred frequently during that time. We talked about it many times.

Mr. MONROE. About what time, for instance, was the dinner-party?

The WITNESS. The dinner-party was some time in September. I have no means of fixing the exact date of it. I think it was in September, although it might have been as late as the first of October.

After we had entered upon these negotiations with Grant, and the matter had been arranged upon a proper basis to put it upon the market, I was informed by them that they had made an arrangement. This must have been soon after they had fixed it up definitely. Before that there had been some uncertainty as to what the character of the organization should be. The subject was left in abeyance. There was simply an agreement that he should have some of the stock. They both told me that it was fixed. I did not inquire at all into the terms upon which it had been settled. I supposed it was satisfactory to them—it was to me, and I hoped that Park had been liberal with the general. After the contract was made with Grant, and while we were perfecting the organization, the question then came up as to the selection of directors for the company. The contract stipulated that they should be first-class men—men of character all around. Grant was to select the English parties. There were to be some American parties, and it was suggested that Mr. Park should be one, and Mr. Park suggested that I should be one, as I was representing the Lyon interest. This was agreed upon, and also that Mr. Baxter should be one. He was in America still. There was then some talk in reference to my leaving very soon. I did not expect to stay until the sale was perfected, and my being a director would not amount to much. Mr. Park was anxious to have some person who was going to stay there constantly. He finally arranged with Mr. Puleston, of the firm of Jay Cooke, McCulloch & Co., that he should be a director.

Mr. FAULKNER. Was he an American?

The WITNESS. He was an American, and his firm was an American firm. He was the man whom Mr. Park relied upon, in case it should become necessary for him to go away, to communicate with him. This arrangement was made with Mr. Puleston, but on consulting with his partner, Mr. McCulloch, the latter objected to his becoming director, as they were not to put the stock on the market, or push the enterprise. While these objections were being made, Mr. Fahnestock came. Mr. Fahnestock thought that they ought to have taken the thing themselves and put it on the market. At all events, he thought that they should have a commission in the matter, and demanded a commission. He said that it was well enough to be a director if they had a commission for it. Mr. Park was not willing to stand the commission that was then demanded, and a difficulty occurred about the matter. It was then quite late in the arrangements. We had been relying upon him to make up the board. The board was otherwise ready to organize. I do not know but they had had a preliminary meeting, with a view of organizing. Mr. Park and Mr. Puleston disagreed in regard to Mr. Puleston's going on the board. We went up to the hotel, and that evening we met General Schenck. We told him all the troubles that had occurred in the matter, and the demands that were made.

By Mr. SPRINGER:

Q. How much were the demands of Jay Cooke, McCulloch & Co.? What commission did they ask?—A. Mr. Fahnestock thought that they would take it on the same terms on which Grant had taken it; he wanted to take it out of Grant's hands altogether.

Q. How much was that—£100,000?—A. £100,000; with these other matters that I spoke of, they would take it on the same terms. That ould not be done. They then demanded, as a consideration for his eing one of the trustees and not a director, £25,000, which was finally oncurred in, as I will hereafter explain more particularly when I reach hat point. This disagreement having occurred, and the time getting be very short, we went up to the hotel and met General Schenck, old him what had occurred, and talked the matter over. In the course f the conversation, either Mr. Park or myself, I do not recollect which was, said, "General, why cannot you be one of the directors? They ave a salary connected with each directorship; it is $2,500 a year. hat will be worth something to you, and you will have plenty of me to attend to it." "Well," he said, "I had not thought of doing ny such thing as that, but I will think about it." He wanted to now who they were getting for directors—what kind of directors they ould have. We told him that the contract required them to be very espectable persons, the very best men in England; that they would ndoubtedly be persons who would be pleasant associates. He said at he would like to know who they were, and he would think about e matter, and see whether he thought it would be proper for him to e a director in a mining company or any other company while he was inister.

Q. Can you give the date of this conversation?—A. The date of this onversation was about the 2d or 3d—the 2d, I think—of November, 871. He said he wished I would learn and let him know who were oing to be directors, and I told him I would do so and let him know he next day; and then, he said, he could determine. I went down to he office and got the names of the directors that they had selected, so ar as they had gone, those that they had proposed to have, and went ound to General Schenck's, but, not finding him, I wrote him a note. hat note will determine the date. I think that was the 3d of Novem- er.

Q. Have you the note with you?—A. I have not.

Mr. CHITTENDEN, (of counsel for Mr. Stewart.) That is appended to eneral Schenck's deposition. We have the original note and deposi- on.

Mr. FAULKNER. It is appended to the deposition dated the 3d of No- ember, 1871.

The WITNESS. I went with my family to Paris on that day; went er and returned, I think, the following Monday, and then Mr. Pules- n told me that General Schenck had determined to be one of the rectors. I had no further conversation with him about it.

Q. What is the date of that?—A. I learned it when I came back on e following Monday. I suppose that letter was written Friday or turday; I do not know the day of the week. I was gone two or three ys. I know that it had got pretty near to the time when the pros- ctus was to be put out, when I came back. I hurried back on ac- unt of business connected with it. With reference to this, I wish it to distinctly understood that Mr. Schenck's interest had been secured ore that, and it had been understood for two or three months, and in our conversation with him there was no reference made to ac-

quiring any interest by becoming a director. It came up, as I told after the failure of Mr. Puleston to become a director, and it was n thought of or suggested at all previous to that time. The only con eration we suggested to him in connection with it was the salary t he could get if he became a director, that is, $2,500, which the rest them were to receive. It was the only suggestion I ever heard mad him—that there was a little salary connected with it, and that he time to attend to it.

Q. Do you know whether he accepted this salary?—A. I do not k whether he did or not. I never accepted the salary, because I left did not attend to it, although I attended to the business in this city.

By Mr. BARNUM:

Q. Do you know that the other directors took the salary?—A. Well, I presume that all did. It is usual in England, they tell me, for me position to take these places, and be directors in various companies, get little salaries. Members of Parliament are generally directors good many companies, and it is for the purpose of getting the little ary connected with the position. Most of these members of the b were members of Parliament and gentlemen of that kind.

Mr. FAULKNER. I suppose that practice grew out of the idea of political or financial influence that attached to their names.

The WITNESS. Well, I am sure I don't know how the practice g up. It is certainly a practice there which you will find very gener

By Mr. HAMILTON:

Q. Is this the last conversation you had with General Schenck?- Yes, on the subject of his becoming a director.

Q. At that time was it easy or difficult to float mining-stocks on English market?—A. It depended a good deal upon the charact the mines.

Q. Was it easy or difficult to float a mining-stock on the Eng market at that time?—A. I think it is difficult at all times.

Q. What were the rates which the Bank of England was chargin that time?—A. The rates of exchange had gone up a little at that t but I do not recollect that.

Mr. MONROE. You mean the rate of interest?

The WITNESS. The rate of interest? I do not recollect.

Mr. HAMILTON. You do not recollect whether it was high or low

The WITNESS. I think it was a little higher than it had been.

Q. Would General Schenck be likely to recollect or know that f —A. I don't know whether he would pay attention to it or not.

Q. He does not concern himself with these small matters?—A. V he is not very much of a financial man.

Q. But would not any man in public position know something al that?—A. O, yes; he would see it in the public press, undoubte and notice it.

By Mr. HEWITT:

Q. I came in a little late, and would ask if you have named the of the first conversation that you had with Mr. Schenck.—A. I do know it precisely, but it was either in September or October. I t it was in September.

Q. The conversation you had with General Schenck in regard to coming a director?—A. O, that was the 2d or 3d of November. P ably the 2d of November; the 3d is the date of the letter.

Q. Do you know whether Mr. Park had any conversation with him previous to that date about his becoming a director?—A. He had not.

Q. You know, then, that this was the first conversation?—A. O, yes; this was the first conversation.

Q. On the 2d or 3d of November?—A. Yes; because we did not expect to have him; there was another person that we expected, and on the evening when we failed to get him, then we were telling General Schenck of it. I never heard of General Schenck's name as connected with it, or thought of it until after they had failed to secure the services of Mr. Puleston. They disagreed about the commission, as I have stated.

Q. Can you state the date of the conversation with Baron Grant, in which he and Mr. Park and yourself discussed the propriety of having General Schenck as a director; that is, was it long prior to this period or was it contemporaneous with it?—A. It must have been about the same time. It must have been after we spoke to General Schenck, because the first that it had ever occurred to me was after we had met him in the evening. Any conversation with Baron Grant must have been subsequent to that.

Mr. MONROE. I want to ask the witness if he was going to say anything more of the contract between General Schenck and Mr. Park?

The WITNESS. I never knew what the contract was. They made the contract between themselves; but I understood that he was going to let him have some of the stock.

Mr. MONROE. You have no knowledge whether General Schenck paid for the stock himself, or anything of that sort?

The WITNESS. No; I have no knowledge. I did not believe that he could pay down for it. I supposed that Mr. Park was going to arrange in some way to secure it for him, but I did not know how.

Q. Had you any knowledge whether he finally did himself pay out of his own property for the stock?—A. I have not; none whatever. After returning to America, while in New York, I saw General Baxter, in February, and learned that some gentlemen were coming from England to visit the mines. There had been some criticism with regard to General Schenck at that time, and with regard to the mine, in the public prints, and a committee of Englishmen were coming on to see the mine. I never had seen it.

Q. You returned to America in January?—A. I returned on the 25th of November.

Q. I would ask you whether these letters, contained in Mr. Lyon's testimony, purporting to be signed by yourself, one dated October 24 and the other November 3, are correct?—A. I presume they are.

Q. You have looked over this testimony, have you not?—A. I have looked over that testimony since I testified before. I am going to call attention to parts of the testimony in a few minutes. I told General Baxter that I would like to go out with them when they came; that I had not seen the mine, and I wanted to see what this thing was; that they had been talking about it, and I wanted to see the mine myself, so I went out. About the last of February I went into the mine. It looked remarkably fine. There was a large body of ore developed, and it was all, to my mind, that it had ever been represented to be. I was very much delighted, and so were all those who were present. Several persons went in with us. I was not very well, and I did not stay long in the mine, but passed through; took a general look at it, and it was looking very fine. I then returned to Washington. In June following, this Illinois Tunnel Company had broken in and taken possession of a por-

tion of the ore, and there was a good deal of excitement over it. Mr Stanley, one of the English directors, came over, and I went out with Mr. Stanley, Mr. Schenck, and Judge Poland to institute legal proceedings against the Illinois Tunnel Company for the Emma Company. We arrived in Salt Lake, I think, some time in June, 1872. We commenced proceedings, or the suit had been commenced before we got there, I do not recollect which. At all events, we made a proposition to the other side which was acceded to, viz: that the mine should be thrown open to everybody; that the experts, the lawyers, and the judge himself should make an examination as to the question whether the mine that the Emma owned was the same as that upon which the Illinois Tunnel Company had entered. They claimed that as a separate vein, a separate lode, and as their property. It raised the question of the identity of vein, the identity of lode. We went up there and made an examination of it, prepared affidavits on both sides, had a hearing before the judge, and obtained an injunction. At that time all parties were exceedingly pleased with the mine. It looked very fine. Mr. Stanley was pleased with it. He was not there at the time of the inspection by all parties, but he had made an examination of it for himself previously; he was anxious to go up there and make an examination alone, and he went up before the others did to take a look at it himself.

By Mr. SPRINGER:

Q. What was the date of that inspection?—A. This was in June, 1872. I cannot give you the exact date of these papers until I get home.

Q. Will you state who were present at that examination, by name, if you know?—A. I could name a good many parties. There was Judge McKean, (he was the judge,) Judge Poland, Mr. Hempstead, Mr. Park and myself, who were the attorneys for the Emma Company, Mr. Joslyn, Mr. Bennett, and four or five other lawyers; I cannot remember all their names. Marshal Carter, I believe, was there. There was quite a large party of lawyers. There were a number of experts, the names of all of whom I could not remember.

By Mr. FORNEY:

Q. You say Mr. Park was with you. Do you mean Trenor W. Park?—A. Trenor W. Park was with us.

By Mr. SPRINGER:

Q. Was that Judge Poland of Vermont?—A. Judge Poland of Vermont. Judge Poland went out to help in the suit as one of the attorneys. We obtained an injunction, and the trial for determining the title was set down for October, I think.

Q. On which side was Judge Poland?—A. He was for the Emma Company. He was employed with us. The case, as I said, was then set down for trial in October. In October I went there again and met Mr. George Anderson, the president of the company, and we made some preparations for the trial, which was delayed a little. I went back to Nevada and made another trip there. Mr. Park remained there; he was there at the time. They then entered into some negotiations with regard to the settlement of the thing. The Illinois Tunnel Company had their tunnel and some other claims; they had united with another company, bringing in some other claims, and they fixed upon a basis of settlement, but it was agreed that the case should be tried and a verdict obtained from a jury.

Q. They agreed upon a verdict beforehand?—A. The jury did not

now that it was agreed. The parties themselves agreed. They offered he evidence and took a verdict.

Mr. BARNUM. I do not understand what this trial was about?

The WITNESS. It was a trial between the Illinois and the Emma Com-nies. The Illinois Company had run a tunnel into this body of ore aimed by the Emma, and claimed it as a separate lode.

Mr. BARNUM. I thought this statement was all made at the time this ock was sold by the other side?

The WITNESS. O, they had a patent. This was a new adverse claim rted up afterward.

By Mr. SPRINGER:

Q. What was the basis of the settlement?—A. The basis of the set-ment was, the surrender by them of their adverse claims, whatever y were, and their tunnel, for the consideration, I believe, of $100,000. was mostly made by Mr. Anderson and Mr. Park. After this verdict s obtained, it was agreed that we would all go up and see the mine ain. This must have been the last of October or the first of Novem-r, 1872. Mr. Park was taken sick and could not go up. Mr. Ander-n and myself, with one or two others, went. I know it was quite e, for the storms were coming. While we were up there, the snow l aboutten inches that night. We staid up and examined it. e mine still looked very fine, as promising as it had at any time.

Q. Did you go inside?—A. Of course; Anderson and myself went for that purpose.

Q. Was there any water in it?—A. No water in it. We went to the ttom; we took out specimens from the bottom, and had them assayed. ey ran very high. The stock during that summer fluctuated, of urse. These stories were circulated and the bulls and the bears were rking at it all the time. As far as I was concerned, I was anxious at the company should be protected in its property. I declined to ke any charge for my services in going out there, or to take any-ng as director. After I arrived in Washington, I received a letter m the secretary of the company announcing a resolution of the com-ny thanking me and Mr. Park for what we had done in attending to s thing. I took no compensation whatever, and paid my own expen-s entirely on all the trips I made there. I made them for the benefit the company and for the protection of their interests; they had paid good price for the property, and I believed that they had a good title, d that all these threats were merely for the purpose of black-mail-g.

Q. Were you a stockholder at that time?—A. I had no interest in when I went there in June, or from that on. I went in with Mr. Park buy some when we were there in June; I subsequently surrendered to him. Mr. Park purchased some, and Mr. Hussey bought and sold through the summer.

By Mr. HEWITT:

Q. But you had an original interest, I understand from your previ-s testimony?—A. Yes; I have spoken of that; I will speak of it fur-er when I come to it again. That had been disposed of at that time, subsequently, so that there was very little, if any, left. I was not re to protect my interests or to protect the interests of the company.

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Q. What was the basis of the settlement?—A. The basis of the settlement was, the surrender by them of their adverse claims, whatever they were, and their tunnel, for the consideration, I believe, of $100,000. It was mostly made by Mr. Anderson and Mr. Park. After this verdict was obtained, it was agreed that we would all go up and see the mine again. This must have been the last of October or the first of November, 1872. Mr. Park was taken sick and could not go up. Mr. Anderson and myself, with one or two others, went. I know it was quite late, for the storms were coming. While we were up there, the snow fell aboutten inches that night. We staid up and examined it. The mine still looked very fine, as promising as it had at any time.

Q. Did you go inside?—A. Of course; Anderson and myself went up for that purpose.

Q. Was there any water in it?—A. No water in it. We went to the bottom; we took out specimens from the bottom, and had them assayed. They ran very high. The stock during that summer fluctuated, of course. These stories were circulated and the bulls and the bears were working at it all the time. As far as I was concerned, I was anxious that the company should be protected in its property. I declined to make any charge for my services in going out there, or to take anything as director. After I arrived in Washington, I received a letter from the secretary of the company announcing a resolution of the company thanking me and Mr. Park for what we had done in attending to this thing. I took no compensation whatever, and paid my own expenses entirely on all the trips I made there. I made them for the benefit of the company and for the protection of their interests; they had paid a good price for the property, and I believed that they had a good title, and that all these threats were merely for the purpose of black-mailing.

Q. Were you a stockholder at that time?—A. I had no interest in it when I went there in June, or from that on. I went in with Mr. Park to buy some when we were there in June; I subsequently surrendered it to him. Mr. Park purchased some, and Mr. Hussey bought and sold all through the summer.

By Mr. HEWITT:

Q. But you had an original interest, I understand from your previous testimony?—A. Yes; I have spoken of that; I will speak of it further when I come to it again. That had been disposed of at that time, or subsequently, so that there was very little, if any, left. I was not there to protect my interests or to protect the interests of the company.

By Mr. SPRINGER:

Q. Did Hussey have any interest when he sent this dispatch to the company about the condition of the mine, in connection with Silliman

and another, as alleged?—A. I don't know. Hussey bought from time to time. Mr. Hussey is here, and he can tell at what had an interest. He was interested in July when I was there was buying stock when I was there. He was buying stock in knew of his sending orders, and Mr. Park did also. There v purchases made by a good many of the Salt Lake parties. Al went in, and there were a good many orders for stock sent at tl

By Mr. HEWITT:

Q. Had you sold out previous to the visit of Colonel Stanley think my interest was all disposed of at that time. I went in Park and Mr. Hussey to send an order to buy some for me, but another arrangement and gave it up the next day or the day af

By Mr. SPRINGER:

Q. Can you state definitely whether you owned any interest, or indirectly, at the time you speak of, in the Emma stocks in Lo A. I think not.

Q. Are you positive you did not?—A. Quite positive. I owned none whatever.

The WITNESS. Mr. Lyon, on page 4 of his testimony, states:

Mr. Stewart urged me very hard to consolidate my claim with this Califo pany, as they had a large capital of $10,000,000, with a great many shar said that I could get a large interest in those shares, and that there w enough to give all the witnesses and jurymen all around about Salt Lake Ci was necessary.

This is unqualifiedly untrue. I never made any such sugge my life.

Mr. HEWITT. That is, you never urged any consolidated cla the California Company?

The WITNESS. To distribute the stock.

Mr. HEWITT. This includes a number of clauses. "Mr. urged me very hard to consolidate my claim with this Californ pany." Is that true?

The WITNESS. Not exactly in that sense. I will state what It was understood all the time that Mr. Park would entertain a tion for a compromise if he could make a final settlement of tl if he could get all the claims in, so that he could get a patent understood that he would entertain a proposition for settlement. was considerable talk about attempting to make an arrangement kind, and I went with Mr. Lyon, I think, to examine the title whether these parties had anything rendering it worth while any arrangement. We came to the conclusion that it was no while. Mr. Hillyer was present, and we consulted over it and co not to do it. But the proposition to interest witnesses and jur the case by the distribution of stock is utterly untrue.

By Mr. HEWITT:

Q. Did you urge him to consolidate his claim with the Californ pany?—A. We had some conversation; I do not think I urged.

Q. You conversed about it, but you did not urge? Is that swer?—A. We talked about the proposition; we talked about c and investigated whether it would be proper to do it.

Q. Did you recommend him to do it?—A. I did not, after I vestigated it. We did examine the question.

Q. But the question is whether you recommended it?—A. I t of course, that it was a good thing, if their title amounted to an

o accomplish it if we could, so as to make a settlement. We were in a situation were we could get no trial. None of these claims were good for anything as against the Emma Company until the end of the lawsuit. At all events, Mr. Lyon's claim was good for nothing. He had made his application for an injunction, and had failed; that was obvious. He could get no trial; that was clear. If he got a trial, the verdict would be good for nothing under the rulings of the judge, regarding it as a United States court. We could only recover at the end of a determination of that question in the Supreme Court of the United States, unless we made a settlement. We understood that if the titles could all be got together there could be a settlement. I investigated that matter.

Q. If you will allow me to call your attention to his statement, it is, first, that you urged him to make this consolidation with the California company, and that after his refusal you investigated the records. "After examining the records, he (Mr. Stewart) found out that their property consisted of just what I (Mr. Lyon) said it did, and he said he agreed with me that we had better not consolidate with them." The question is, whether you originally urged him to consolidate, and subsequently, after examination, recommended him not to do so?—A. The statement is, that "Mr. Stewart urged me very hard to consolidate my claim with this California company, as they had a large capital of $10,000,000, with a good many shares; and he said that I could get a large interest in those shares, and that there were shares enough to give all the witnesses and jurymen all around about Salt Lake City all that was necessary."

Q. How much of that statement do you deny?—A. I deny the whole, as taken together.

Q. But taken in part, if you please; do you deny that you urged him originally to consolidate with the California company, without any reference to reasons or motives?—A. I do not recollect that I urged him at all. I recollect, when it was talked about and discussed, that I suggested that it would be a good thing if we could bring them together and make a settlement.

Q. Do you recollect that you afterward came to the conclusion that he had better not consolidate?—A. I recollect that I thought it was a thing to be taken into consideration, to see what it was. I do not know that there was any moment when I was prepared to make an arrangement with them, because I had not investigated it; but I thought it was well to see what their claims amounted to. That is what I was there for.

Mr. PACKER. Further down you will find that the witness states a little more fully and particularly, in answer to the question I put to him:

Q. Was Mr. Stewart's proposition that you should do this, or that the other parties should do it?—A. The other parties were willing to do it, and Mr. Stewart advised me to go in with them and consolidate our interests, and then use that company for the organization, and then we would have shares enough, outside of what they were to give me and retain themselves, to give all the witnesses and jurymen, &c., all around about there what they wanted. Mr. Stewart was quite angry for a little while because I would not accede to this, and he said that he wished to go and examine the records himself, that he was not satisfied with my statement, and that he would examine the records and make his decision afterward. After examining the records, he found out that their property consisted of just what I said it did, and he said that he agreed with me that we had better not consolidate with them.

By Mr. HEWITT:

Q. Where did this take place—this conversation or investigation, or

whatever it might have been?—A. The whole business was being done at Salt Lake City.

Q. Do I understand you to say that Mr. Hillyer was there?—A. Mr. Hillyer was there in consultation during all this time.

Q. What was the date of that, as near as you can state?—A. I do not remember; probably some time in June, 1871. It was some time during the time that we were there endeavoring to get a trial or injunction, or to do something with this claim.

By Mr. SPRINGER:

Q. Can you fix the time of this conversation when Mr. Hillyer was there?—A. I cannot fix the exact date of this conversation. I know it occurred during the time that we were making our efforts in Salt Lake; some time in June probably, because we were there in that month on this business.

Q. Did you consult Mr. Hillyer in regard to the consolidation with the California?—A. We consulted daily in regard to every matter connected with it. The consolidation with the California was an incidental matter. It was understood that if we could get them all together we could make a settlement with Mr. Park. We had heard such was the case, and we went to investigating that matter to see whether we could do anything of the kind. There were a great many claims to the Emma.

By Mr. WILLIAMS:

Q. Did you at any time so make up your mind upon this matter that you recommended this consolidation?—A. I do not think I did at any time. I was favorable to it in the beginning, on the condition that they had sufficient title to make it a fair thing.

By Mr. PACKER:

Q. Did you ever have any such conversation? You leave it open now to the inference that you might have had such a conversation with Mr. Lyon as he states in reference to the distribution of stock among witnesses and jurymen.—A. Nothing in regard to the distribution of stock among witnesses and jurymen, or anything of that kind. I never heard it suggested by any one until I saw it in this testimony.

By Mr. MONROE:

Q. Mr. Lyon represents you as giving a certain opinion of Mr. Park, and Mr. Park as giving a certain opinion of yourself.—A. I have already denied that. I wish to call attention to a matter on the bottom of page 5 of Mr. Lyon's testimony:

Q. Up to what time was that?—A. I would say up to July, 1871. That would include all the ores taken out by the Emma Mine Company of Utah, and all up to that date from the discovery of the mine. In the mean time, Mr. Park organized a company at New York City, called the Emma Mining Company of New York. My recollection is that the capital stock was $5,000,000 in 50,000 shares of $100 each. Mr Stewart and I understood at the time that the mine was about exhausted, and that was our understanding from Mr. Park. Mr. Park said that he could take out all the ore that was developed in a short time, and that we could not get an injunction to stop him, and that we would have no remedy. We talked about that, and Mr. Stewart asked me on what terms I was willing to settle. We agreed after considerable discussion to take one-third of all that came out of the mine, and which Park estimated at $2,000,000, leaving a million and a half after payment of all expenses—and my third of that would be $500,000.

Mr. SPRINGER. What do you say to that?

The WITNESS. This statement is untrue. I never said at that time, nor was I informed by Mr. Park, that the mine was about worked out. There was no such understanding whatever. It is also untrue that we

have $500,000 out of what had been taken out of the mine. .d been taken out of the mine had been distributed in such a ; we could not have reached it. There was no estimate made ıount that had been taken out of the mine, and there was no ıs to receiving the proceeds of what had been taken out. Our ompromise related to what was in the mine, as will appear by act itself, except a small amount that might be in the hands of Brothers. We thought perhaps we might get hold of that, and fix that in the settlement and talked about it. There was no ettlement contemplating the recovery of what had been taken e mine. It is well known that when a mine has been worked oration and the proceeds distributed it is a hopeless task to and that was the very difficulty we had to contend against. ed an injunction or something tangible to fight for, and not to ıwsuits after a thing was over.

Mr. FAULKNER:

at was the basis on which Mr. Lyon's share was estimated at illion?—A. The contemplated sale of the mine, if enough to a half a million for his eighth after paying to the company 0, and he had his option to take the one-eighth whether it half million or not; but in case it reached a half million, then d to take it absolutely. Mr. Lyon said he would be satisfied half million anyhow, and so I put the provision in the contract ran to that figure he should be obliged to take it.

RINGER. What contract are you speaking of?

ITNESS. I am speaking of the contract on page 7.

:WITT. Will you refer to your letter on page 6, and to this I have refused to give up the lawsuit under any circumstances, ıu get five hundred thousand dollars;" it appearing from that hundred thousand dollars was the amount claimed in the law- hat was the lawsuit for? Was it for past damages—the value e taken out of the mine in the past?

ITNESS. The lawsuit was for an interest in the mine.

:WITT. But did it claim anything for what had been taken out?

ITNESS. There might have been a claim for damages in the t; I do not recollect. I think it was simply an action for . At the time the action was brought very little ore had been . That was in 1870. The damages were not what we were for. We talked about five hundred thousand dollars as the he wanted and so in this letter I made that statement, but I for the lawsuit in the contract.

Mr. PACKER:

you remember whether there was not an injunction pending n the parties from future workings?—A. There was an attempt injunction, and a failure to get it.

s that the lawsuit to which you have reference in this letter? . I would not give it up without consulting him. But s option, so that he could take it or not afterward. When it suggested that a settlement might take place with Mr. Park ent could be procured, and after an examination had been the record here in Washington, and it was thought probable tent could be procured, I then went to New York and met Mr. ving first ascertained that there was nothing here to prevent pened negotiations with him to procure a settlement. We had o the conclusion that he had no claim; that his claim, under

the Saint Louis title, did not amount to anything. We could not maintain that, on account of the irregularities in the probate sale; but we had fallen back upon his one-third interest which he claimed. The first thing in the contract was to allow a patent to be issued, let the property be sold, have one-third of the proceeds deposited, (and this was the New York corporation that was to be sold,) and if it were not sold within a given time, (three months, I believe, is stated here,) then the stock itself should be deposited, and the lawsuit then pending, or any other lawsuit to determine the question of title, should go on, and when the question of title was determined, then the judgment should be satisfied. If it was for one-third, then the judgment was to be satisfied out of that one-third that was deposited. That was the arrangement we made. Then, as Mr. Lyon had offered to settle for five hundred thousand dollars, (we talked about that in Salt Lake,) I arranged for an option, so that if we did not want to go on with the lawsuit, another thing might be done.

The first thing secured by the contract was all that could have been secured by the injunction. Then we could go on with the litigation at our leisure, having deposited the proceeds with Seligman & Co., and if it were five or six years even, the property would be still there to respond. Then we arranged for an option; after fifteen hundred thousand dollars had been paid to the Emma Company out of the proceeds of the sale, Mr. Lyon was to have the option to take one-eighth, but if they reached five hundred thousand dollars, the amount which he had suggested in Salt Lake he was willing to take, then he agreed to take it. I drew up this contract in pencil in New York and sent it out by Mr. Hillyer with this letter of the 5th of August. Mr. Hillyer started out. This contract was not perfected at all; Mr. Lyon need not have assented to it. He need not have withdrawn his protest. He was out there; Mr. Hillyer went out there to consult with him. I had made the preliminary arrangements, and sent it to him on the 5th. Mr. Hillyer, went out with the view of seeing Mr. Lyon, withdrawing the protest and getting the patent. Mr. Lyon was there waiting for Mr. Hillyer, and I wrote him this hurried letter in which I say: "The plan has this advantage, that we will not be fighting for a worked-out mine;" which we had been complaining about, against which we had been trying to get an injunction that we had failed to get, and in reference to which we had been trying to get a trial and had failed; and there was no possibility of his ever getting any interest except upon a final judgment in the Supreme Court, and that event was many years off. It was an indefinite period, and if we had waited until this time the courts have been in such a condition that we could not have secured a trial.

By Mr. HEWITT:

Q. You state, "Hillyer will start in twenty minutes." He was then in New York, of course. I understand you to say that in June he was with you at Salt Lake City, and was in New York, and was now going back to Salt Lake City?—A. Yes.

Q. When you look at page 70 you find a dispatch addressed "C. J. Hillyer, 23 First street, N. E., Washington, D. C." It seems to have been sent at the time you were at Salt Lake City.—A. He came back here during that time.

Q. He left Salt Lake City and came to Washington?—A. Yes. He was in Salt Lake City again in July. On the 15th of July he argued a motion there for an order of survey. After he first went to Salt

Lake City, he made a trip back to Washington, and also made a trip to the Pacific coast.

Q. Between June and July?—A. Between the time that he first went out and August, the last time that he went out.

Q. Did he go with you and Lyon when you went out?—A. He did not. This was sent by me from Salt Lake to Mr. Hillyer, to have him come out to Salt Lake. He came out and then returned to Washington. I wanted him out there before I left to go to California. He came out and argued this motion for an order of survey on the 15th of July.

Q. It appears by your testimony that it was during the time you were consulting with Mr. Lyon in regard to the consolidation of the California company. He seems to have been there in June, 1871, also.—A. This consultation may have been in July; it was between the times. I do not pretend to fix the date of the conversations about the California company. It was an incidental matter, when we were all there.

Q. It must have been prior to the argument of that injunction case.—A. I think likely it was. It might have been subsequent to it; I do not know. It occurred during the time we were there.

Mr. FAULKNER. Will you proceed to indicate the other points in Mr. Lyon's testimony to which you wish to call the attention of the committee?

The WITNESS. Yes, sir.

When I did arrive Mr. Stewart presented me this contract already signed. I think arrived on the 19th or 20th of August, 1871, and this contract was signed on the 18th. objected to the contract as not being what we contemplated at Salt Lake City. It lid not fix the amount of $500,000 satisfactorily to me. Mr. Stewart said to me, "Do 'ou not see, according to this contract, Park cannot sell this mine without my consent? put that clause in to protect you, so that the mine cannot be sold until you are paid hat $500,000. We have the thing in our own hands, for of course I shall not consent o the sale until you are paid your $500,000." I said to him, "If you do that, all right." aid he, "All right, I will attend to that; that is all satisfactory." And so that was he end of that thing. Mr. Park congratulated me for accepting the contract, and aid that I was going to get $700,000, which was better than any lawsuit, and he also aid, "Mr. Lyon, I have got letters from Europe, and I think we can sell this mine for ight or ten million dollars."

Now, on the 5th of August, I sent him, as before stated, this contract, r one similar to it. I heard from them that the whole thing was clear nd that they had withdrawn the protest, and I supposed it was entirely atisfactory. I had signed the contract, it is true, but it was not deliv-red, and was not a binding contract at all. I did not sign it until after understood by the telegrams that it was all satisfactory; it was still ll open to Mr. Lyon when he came there; Mr. Lyon wanted some ex-planation of the contract, which I gave him.

His first objection was that this gave Mr. Park the right to sell the mine for just what he pleased, that he might make a sham sale of it to his partner, Mr. Baxter, or something of the kind, and then there would be nothing to deposit. I said to him, "Don't you see a provision in that contract that it cannot be sold without my consent?" We had got the right to litigate for one-third. Said I, "It cannot be sold without my consent. It has got to be a *bona-fide* sale. If anything of that kind should occur, if there were anything unreasonable about it attempted, would just refuse to consent to the sale, and would demand $500,000 efore there should be any sale at all. I would not have anything to o with it. We have it in our power; it was put in for that purpose." ut I never said to Mr. Lyon that I would not assent to any reasonable le, and it was not contemplated that I should. It was agreed all ound that the property might be sold; it was perfectly satisfactory.

If it were sold we would be certain of getting the proceeds where could litigate for them. We did not want to take any chance of havi the mine worked by them without our knowing what the proceeds we but if it were sold then there would be a definite amount fixed.

Mr. FAULKNER. What particular part of that statement is it in whi you claim that he misrepresents you?

The WITNESS. That I stated it should not be sold at all unless he g his $500,000. I did not state that; that was not the intention.

By Mr. HEWITT:

Q. Was this clause involving your consent contained in the origin draft of the contract?—A. I presume so. I do not know whether was or not, but I think so. I presume they are substantially the sam but I have not examined it. It might have been put in afterward.

Q. But it might have been put in to meet Mr. Lyon's objectio namely, that it might be sold.—A. It *was* put in to meet that objectio

Q. Yes; but was it put in to meet that objection after he made t objection?—A. I think not. I think it had been put in before. I call his attention to the fact that they could not do that with us.

Mr. Lyon gives a conversation (page 10) in which he says that M Lent was unfriendly to me. That is the first time I ever knew that M Lent was unfriendly to me. Mr. Lyon himself brought a letter fro Mr. Lent to me, and I never had met him from that time until I m him in New York on the occasion spoken of; Mr. Lent was an old frie of mine; I knew of no unfriendly relations, as spoken of there, at al

Mr. Park and Mr. Puleston had got into some difficulty in correspondence. Mr. bert Grant had insisted on Mr. Puleston's name being on that prospectus as one of t directors, and also as a trustee, (merely a trustee until the property should be turn over to the purchasers, when his office, as I understood, ceased.) That is the comm way they have things fixed in England. Mr. Puleston was to have £10,000 for the u of his name. That was explained to me by Mr. Park, or Mr. Stewart, I am not certa which. (It seems to me that both of them told me so.) Mr. Grant would not take M Puleston's name as simply J. H. Puleston, but insisted that the prospectus must sho his title as J. H. Puleston, of the firm of Jay Cooke, McCulloch & Co., American ban ers, Lombard street, London. This was a private contract, made by Park and Pul ton, not known to the firm of Jay Cooke, McCulloch & Co., as I learned from Pa and also from Puleston. Some pretty sharp correspondence had passed on the subje back and forth, which Mr. Park read to me. Mr. Puleston was urging his side of t case and Mr. Park was also urging his side of the case. Finally, another bargain w made with the firm of Jay Cooke, McCulloch & Co., who charged £25,000 for th names, to allow Mr. Puleston to come out in the prospectus as a member of their fir and for the firm to receive the money as bankers. Mr. Park and Mr. Stewart agre to give Jay Cooke, McCulloch & Co. the £25,000, and Mr. Puleston was still claimi his £10,000, but Mr. Park would not pay it to him, and had not done so up to the ti I left there in the spring.

Now with regard to that transaction: Mr. Puleston and Mr. Pa had frequent consultations about this business, and Mr. Puleston w to have a commission of £10,000, I think, to help about it. He was go on as one of the directors, and to help about this stock. Mr. Pul ton was the man whom Mr. Park consulted as to the business stan ing of different parties who were making propositions. He made arrangement of this kind with him. It was private from me; I did n know it at the time. Then Jay Cooke, McCulloch & Co., when M Fahnestock came, demanded this commission, and this difficulty aro They demanded a certain per cent. of the commission, and finally, I lieve, succeeded in getting it. Mr. Park and they had considerable di culty about it. I thought they done nothing that entitled them to that was one of the things that disgusted me in London, this dema of a commission of £25,000. I mentioned that to Mr. Lyon in the c versation as one of the grievances that I had observed.

By Mr. SPRINGER:

Q. Do you know whether other members of the firm besides Mr. Puleston were urging this demand for imaginary services?—A. They did not know of Mr. Puleston's arrangement at first. Then, when they were informed of it, they objected to it; said he (Puleston) was a fool; that he might just as well have Grant's place and make the money; and that if their firm-name was going on they wanted to make some money on it. They were willing to take the thing, and tried to get it.

Q. Who said that?—A. Mr. Fahnestock said that to me. McCulloch did not care to go into it.

Q. Did you talk with McCulloch about it?—A. I did.

Q. What did he say?—A. He did not think that his partners would allow him to be connected with any outside operation at all. But Mr. Fahnestock came, and he took a different view of the question.

Mr. FAULKNER. Whereabouts in Mr. Lyon's testimony upon that point is there any misrepresentation of your conversation?

The WITNESS. There is no particular misrepresentation there, but inasmuch as this is rather important, in view of the fact that we afterward got General Schenck, I called the attention of the committee to it again, in order that it might not pass out of mind.

By Mr. SPRINGER:

Q. That is substantially true, then, is it?—A. It is substantially true. There are no very great mistakes about that.

By Mr. BARNUM:

Q. Do I understand that Jay Cooke, McCulloch & Co. had £25,000, and Mr. Puleston £10,000 also?—A. No; Mr. Puleston did not get his £10,000. He tried pretty hard to get it, but did not.

By Mr. SPRINGER:

Q. How did you avoid paying him that?—A. He and Mr. Park settled that. It was unsettled when I left.

Q. Can you state what services the firm of Jay Cooke, McCulloch & Co. performed to earn that amount of money, or to entitle them to receive it?—A. I do not think they had earned that amount of money. I did not like this arrangement very well.

Q. Why was it paid to them, then, if not paid for some consideration?

By Mr. HEWITT:

Q. They received the money as bankers, didn't they?—A. They had been the bankers of the company, and Mr. Puleston had let it go along until his name had been circulated in connection with the matter, and then Mr. Fahnestock came and demanded the commission.

Q. What was the commission that Mr. Fahnestock demanded?—A. It was 2½ per cent.

Q. On the $5,000,000?—A. On whatever it was sold for. Yes, 2½ per cent. on $5,000,000. That is what it amounted to.

Q. And you finally settled upon giving him this sum of money?—A. That was hardly settled. I believe it was pretty much agreed to, but was hardly settled before I left. I hardly knew how it would come out. It was partly adjusted, and I do not know but that it was substantially agreed upon.

Q. Who paid £25,000 to Jay Cooke, McCulloch & Co.?—A. This is hearsay. They had a good deal of trouble about it, but I think Grant paid part of it finally, rather than have a row with the company. They

were rather rival concerns, and there was a good deal of trouble abo that matter.

Q. Was this paid in money or in stocks?—A. It was paid finally aft this sale. It was settled up in some way after I came away.

Q. Was it paid in money or in stocks?—A. I do not know how it wa paid.

Q. Do I understand you to say that Mr. Park paid any portion c that £25,000?—A. I think he did.

Q. And that Grant paid part of it?—A. I think so. The claim wa all against Park when I left.

By Mr. SPRINGER:

Q. Did they assess you for any portion?—A. No; I do not know tha they did.

Q. What was your understanding about that?—A. There was never any assessment in any such way.

Q. Were you ever required to pay any sum of money that was said to be appropriated to Jay Cooke, McCulloch & Co.?—A. I expected, if they got their commission, that when Mr. Lyon came there it would come out of the aggregate.

Q. How much was it, then, that was charged up to you?—A. In order that that may be understood, perhaps I will have to explain the situation exactly as it was. Mr. Lyon was to have one-eighth of the proceeds after the $1,500,000 was paid to them. If this commission came out, it would reduce the aggregate, and therefore, of course, reduce the amount which Mr. Lyon was to get.

Q. But I understand that the charges of Jay Cooke, McCulloch & Co. were put down as expenses for floating the mine?—A. Yes, commissions on the sales.

By Mr. HEWITT:

Q. Then, have you had a settlement with Mr. Park of this transaction?—A. Yes.

Q. Was this charged up against the one-eighth to which you became entitled by reason of the assignment?—A. I will explain that settlement in full, if you will permit me, when I reach it in the order of my testimony.

Mr. WILLIAMS. Here is one clause; I would like to know if it expresses it: "Finally another bargain was made with the firm of Jay Cooke, McCulloch & Co., who charged £25,000 for their names—to allow Mr. Puleston to come out in the prospectus as a member of their firm, and for the firm to receive the money as bankers." Does that express it as you understand it?

The WITNESS. They were to receive the money as bankers and do the business and allow his name to come out, and then they said they ought to have this commission.

Mr. HEWITT. Did they receive the money as bankers?

The WITNESS. O, yes.

Q. Did not the London and Westminster Bank receive the money as bankers?—A. They agreed to at the time. I do not know whether they did.

By Mr. WILLIAMS:

Q. But the money was paid them for these two purposes, the use of his name and the receipt of the money?—A. Yes. But I do not know but they got so unfriendly about it that they did deposit in another place.

Q. If you will look at the prospectus I believe you will see that it

ames the London and Westminster Bank.—A. I believe they broke up with them, because they got very unfriendly with them.

By Mr. SPRINGER:

Q. Is it customary in England to pay bankers for the privilege of depositing with them?—A. O, they charge for everything there. I never saw the thing in any other country in my life. They call them pulls; you have everybody talking about having a pull in everything that is up.

Mr. HEWITT. In the prospectus, the London and Westminster Bank and Jay Cooke, McCulloch & Co. are announced as bankers; but the money was payable at the London and Westminster Bank and was paid to them, as I understand.

The WITNESS. They were in the prospectus as bankers. I read further from the testimony of Mr. Lyon:

Q. Were any of those parties present when he said so?—A. No, sir. He went on to say, "We paid £46,300 to go into the treasury for paying dividends."

That is an entire mistake. This was the money that was on hand, the results of the sales that had been made.

Mr. SPRINGER. They used the proceeds of sales of stock to pay dividends with?

The WITNESS. No; this was the proceeds of the sales of ore that was turned over by the old company to the new company. I never suggested to Mr. Lyon that there should be any deduction from the aggregate receipts in consequence of that, because it was represented to me by Mr. Park—I knew nothing about it—that they had on hand a large amount of ore, that there were large shipments of ore in London when we got over there, which had not been paid for. Mr. Park figured it up. He had the accounts of Lewis & Son and Bath & Son, which showed this amount. This had no reference to anything that came out of the proceeds of the sale, and it was advertised that the other company would take it up and take it just where it was, instead of making dividends in the New York company, for that was about to be dissolved.

By Mr. HEWITT:

Q. Was it not agreed that that should be the amount taken from the old company by the new company?—A. It was agreed that the account should be turned over as it stood, and that was in it.

Q. It was agreed that as an arbitrary sum, £46,300 should be taken?—A. Yes, sir; that was put in the prospectus, I believe.

Q. You have no knowledge yourself that it came from the proceeds of ore, and you only know it as a matter of report, do you?—A. I saw the accounts that Mr. Park had, showing the results of ore. I saw statements of it; I did not see the money that was turned over. I saw the accounts with these two houses, and Mr. Park figured up what was on hand.

Q. Did you ever hear any doubt expressed by anybody as to whether there was £46,300 of surplus to be paid over or not?—A. O, yes.

Q. I mean at that time; not since?—A. O, no; I heard none at that time.

Q. Did Mr. Park never say to you that there was an error about that thing?—A. Never. I never heard of any error at all until I heard of doubts of the existence of the Emma Mine.

Q. You do not remember whether Mr. Park said there was any error at that time; that he had discovered any such mistake?—A. No I did not hear anything about that. Mr. Lyon says that I told him:

We gave General Schenck 500 shares of stock. Mr. Park guaranteed the stock would bring him £20 a share within six months. That was put down as £10,000 cash.

This is not true; I did not so state to Mr. Lyon. I emphatically den that.

He paid Professor Silliman nine or ten thousand pounds, I am not certain which He was to get £5,000 for making his report, and if they made a sale of the mine, the were to give him £4,000 or £4,500 extra, and it is not clear in my mind which amou it was.

This is not true. I knew nothing about the compensation of Professo Silliman at that time, and never knew what the amount was that he received until I saw a telegraphic statement of it in his testimony. He was paid by this New York company, and I never knew the amount at all. I had no information at all on the subject at that time.

By Mr. SPRINGER:

Q. Was there no foundation, then, for this statement? Was there no conversation between you and Lyon out of which this could have grown? There was no similar conversation to this between you and Lyon?—A. A conversation in which I might have related the fact that they had undertaken to pay the expenses of this examination, but had no information in London at all as to what Mr. Silliman would charge at that time.

Q. Did you have any conversation with Mr. Lyon in regard to what Silliman was to have? And, if so, state what that conversation was.—A. I had had no conversation as to what he was to have, except, I presume, very likely I would have told him that Mr. Park was to pay the expenses—told him, as the fact was, as I was explaining everything to him. But I never had heard anything about what Mr. Silliman was going to have at that time.

By Mr. HEWITT:

Q. Do you know from whom the money came to pay Professor Silliman finally? Who finally paid his bill? Was it Park, or the Emma Mining Company?—A. I do not know of my own knowledge who paid it.

Q. In any account rendered to you in your joint interest, does any charge appear as money paid to Silliman?—A. No.

By Mr. SPRINGER:

Q. Did any one tell you who paid Silliman?—A. No.

Mr. HEWITT. He has no testimony that Baxter paid the money, or Seligman & Baxter; but the point is, where did it finally land?

The WITNESS. No; I don't know where it finally landed.

Mr. SPRINGER. Did Mr. Park ever tell you?

The WITNESS. No; he never did.

Q. You spoke about having seen the books on which the sum of $46,300 was credited as the proceeds of ore?—A. No; I say Mr. Park had the accounts; I did not examine them critically; however, he had the accounts of sales with Lewis & Sons and Bath & Sons, and he said that there was so much on hand from this business.

Q. You did not examine any books yourself?—A. No.

Q. You only knew what Mr. Park said about it?—A. That is all I knew. I saw by these accounts that there had been so much sold, and he said there was that balance on hand from these sales.

Q. With Lewis & Sons?—A. Or in the banks, as the proceeds of it that they had not drawn.

Q. With what banks did he deposit?—A. I do not know. I should think they were depositing with Jay Cooke, McCulloch & Co., yet I do not know; I did not inquire into that at all. Says Mr. Lyon, "We paid £12,000 to William M. Lent," (the Lent I have been speaking of previously, of San Francisco.) I did not tell him anything of that kind.

Q. Did nothing of that kind occur?—A. We might have had some talk about Lent, but not paying him £12,000.

Q. How many pounds did you tell him?—A. I do not know that I told him any thousands; I did not know that there were any pounds paid to him.

Now we come to Lewis & Sons, at Liverpool.

By Mr. HEWITT:

Q. Had you any knowledge of any payment to William Lent?—A. I had not. I believe that he and Mr. Park had some arrangement whereby Mr. Park gave him something, but I did not know what it was.

Q. In the settlement between you and Mr. Park, no charge appears for money paid Mr. Lent.—A. Between Mr. Park and myself? I will tell you how that statement was.

By Mr. SPRINGER:

Q. You made it a gross amount, then?—A. Yes.

Q. Did he ever tell you how much he paid Lent?—A. He never did.

Q. Did Lent ever tell you?—A. He never did.

Q. Did nobody ever tell you?—A. No; nobody ever told me.

Q. You never knew, then, how much Lent got?—A. No. Mr. Lent made some statement of it, I saw, to his partners, in San Francisco, those interested with him, and I presume whatever statement he made was correct.

Q. What was that?—A. I have forgotten what that was. I do not know as I heard at the time. I heard that he had made some statement that he had received some money from Mr. Park, but what it was I do not recollect. I paid no attention to it. It was long after I had settled up with Park, and I had no interest in the matter, and I do not know as I heard the amount.

Q. Was it as much as $50,000 or $60,000?—A. No; nothing of that kind.

By Mr. FAULKNER:

Q. Do you know the amount actually realized—any money—from the sale of this stock in London?

The WITNESS. The whole of it?

Mr. FAULKNER. Yes, sir.

A. No, I do not believe I can tell the exact amount.

Mr. Lyon continues in reporting my statement to him, as follows:

We were to pay £8,000 to Lewis & Sons of Liverpool, but we do not need to pay it, and are going to get rid of it if we can. At all events these various sums I figure up at about $1,000,000.

Lewis & Sons claimed a commission for having been connected with the mine for a long time, and received it; and they claimed that in the correspondence there was an agreement that when the thing was put on the market they should be interested in it.

They wanted a pull in consequence of some letters that had been written to them a long time before. I mentioned that fact to Mr. Lyon. It was an unsettled matter, but I presume I mentioned that fact to Mr. Lyon. It was an unsettled matter, but I mentioned the fact that they claimed a pull. I do not remember now what the amount of it was, but I recollect that they wanted one of these English pulls.

"At all events, these various sums I figure up at about $1,000,000." "Well," said I what have I to do with that?" He said, "This million of dollars comes out of the sale of this property." "No," said I; "by the terms of the contract you are first to take out the million and a half dollars, of which I am to get $500,000."

On the contrary, the million and a half was to go to the Emma Company. We were to get nothing out of the first. That is not correct at all. He was not to get anything at all out of the first million and half. He was, after the sale was made, to have the option to take one eighth of the net proceeds.

By Mr. SPRINGER:

Q. Of the whole?—A. Of the balance; one-eighth of what was left after deducting $1,500,000.

Q. Then, what would be his interest in the amount of stock that was held by Park and not sold?—A. Why, if he elected to take his option he would be entitled to one-eighth of the stock above $1,500,000.

Q. But he did not want stock; he was to have cash.—A. He was to have a lawsuit—the main part of it was that he was to have a lawsuit and not cash.

Q. But this contract called for $500,000 in cash, or the proceeds of the sale?—A. Nothing of the kind.

Q. It called for the proceeds of the sale of the mine, I understand?—A. The contract did not call for anything of the kind; that is a mistake.

Q. He was to have one-eighth of the proceeds of the whole after paying $1,500,000?—A. He had the option to take one-eighth of the proceeds of the whole after deducting $1,500,000.

Q. What was that option worth if one-half of the sale was in the stock of the company?—A. O, if the option was worth nothing he need not take it. That is the reason I sent for him. The thing had been put on the market, and I wanted him to determine whether he would take the option or not. He says here that I was accounting to him: and in a good many questions the committee seem to assume that I was accounting to Lyon. I was doing nothing of the kind; I had received none of Lyon's money at all. The matter had been put upon the market and stood in such a shape that he was at liberty to take his option, and I was showing to him about what his option would amount to.

Q. How could he take the option when Park had this property in his pocket?—A. Park had not a cent in his pocket yet. Mr. Lyon came there before either Mr. Park or I got any money. This is a little important, and these questions assume that I was making an accounting to Lyon, which is not true. I went over there and this thing was put on the market with my consent. Lyon had the option to have one-third of the proceeds of that deposit to litigate for. That was the first proposition. That was the main agreement, to put up one-third of these proceeds to litigate for. If he did not want to litigate, he had the option to take one-eighth of the residue after deducting $1,500,000. If that one-eighth reached $500,000, then he was bound to take that option. That is the reason I sent for Mr. Lyon, to determine what to do. I explained to him the whole situation, as I have before stated.

When he came I said, "Mr. Lyon, here is your contract. Here are all these pulls on it; I am disappointed in the expenses attending this matter; they have been larger than I expected; I wanted you here to decide, before Mr. Park, or I, or anybody gets this money, what shall be done."

If Mr. Lyon had then said "we will go on with this lawsuit," that course would have been pursued. I told him I would notify Mr. Park at once, if he so directed, that one-third must be put up, for the contract required that the stock, if not all sold within three months, should be put up. The fact that the stock was reserved did not interfere with

at it was to be for the benefit of Mr. Lyon. It was all there
ıp. Nobody had handled any of the money when I sent for
That was for him to decide. That was the first time that I
ı his claim to some extent. I had thoroughly believed in his
one-third interest up to that point.
ld by Mr. Park and some two or three other gentlemen, after
omise was effected, that Lyon, after having entered into this
nt with Woodman originally, received a letter from Chisholm,
an, or both of them jointly, in New York, requesting him
ɔn and furnish some money to prospect that ground with,
yon destroyed the letter in the presence of witnesses, (I do
for it,) and said he would have no more to do with it. I
yon of this report. He seemed anxious to get money and not
the lawsuit—anxious to get money. I told him what the
; told him that these pulls were coming in from every direc-
did not think that if he took that option the thing would
than $300,000 for him and me both; but to stay there and
ıt. There was no accounting to Lyon. It was merely ex-
ıatters to him so that he could go on and make this choice.
have mentioned these pulls; I believe you only mentioned Jay
Culloch & Co. as making them. You called them English
And Lewis & Sons and Grant.
e are three of them. Who were the other parties?—A. I do
ct.
you not call to mind some of the others?—A. There were a
. Every man we met on the street wanted a commission for
. I do not now recollect all the pullers.
you remember any more than these two?—A. I do not now.
I ask you to refresh your memory and state whether Mr.
Villyams, one of the directors, wanted a pull for £5,000 or
never knew anything about that.
ı you wanted to go out and examine the mine in the month
y?—A. I was not there in the month of February.
Coates & Hankey, the brokers, want a pull of $50,000 or
it to your knowledge?—A. Yes; I do recollect that now.
ed to have something to do with it, and there was some
bout that.
hey get it?—A. I don't know what they got.
es & Hankey were the gentlemen who first introduced you to
nt?—A. Yes.
wanted to charge £10,000 for that?—A. They wanted to
),000 for the introduction, after having made a contract and
ırry it out.
ou know anything about Messrs. Bischoff, Bompas & Bis-
ıg a pull?—A. I do not know anything about their getting a
that they were solicitors for the company and had their pay
ɔmpany as such solicitors; I believe Grant was to pay that
expenses.
Fisher, the gentleman who introduced you to Coates & Han-
e anything?—A. I do not know that he did.

Mr. FAULKNER:

you ever been in any condition to know how this money was
which was the proceeds of the sale of that stock in London?
have not. I left London before these matters were settled

Q. Have you any settlement?—A. No. I will state in regard to tha settlement hereafter.

Mr. HEWITT. The witness says that in his interview with Mr. Lyc he first lost faith in Mr. Lyon because he had heard this story fro Mr. Park in regard to the letter, and because Mr. Lyon then seem very anxious to get money. Now, inasmuch as the settlement was s made, and Mr. Lyon's rights were defined, I should like to have yc explain how you lost faith in him at that particular moment.

The WITNESS. Well, that assumes what is not true. It assumes tha it had all been settled, which is not correct.

By Mr. HEWITT:

Q. Had not this stock been put on the market?—A. This stock had been put on the market, but Mr. Lyon's suit had not been settled. I brought him there, as I before stated, to determine whether he would go on with this suit or whether he would take the option. That was the question. He was so anxious for the option and so afraid of his suit that I began to lose faith in the suit itself.

By Mr. SPRINGER:

Q. Had you not, previously to this, represented to the English purchasers and directors that the title to the property was clear, and that there were no claims upon it?—A. The title was clear.

Q. Then what was this suit of Mr. Lyon's about?—A. Will the gentleman read this contract? The contract provided that the property might be sold, and that Mr. Lyon might go on with his suit, which would not affect the title at all; but if he recovered the judgment he was to take the proceeds. The patent made the title clear. The company had nothing whatever to do with this litigation; the vendees had nothing to do with it; it did not affect them in the least. It would be a mere question in reference to the distribution of the proceeds.

Q. Mr. Park would be the party defendant in a suit to divide the proceeds of the sale in London?—A. The suit was the one that was pending, and any other that they might bring with a view of determining Lyon's original rights. If he recovered, he was to receive this one-thir of the proceeds, that were to be deposited.

Q. Who was to pay it to him?—A. Seligman & Co., with whom i was to be deposited.

Q. That was a matter between Mr. Lyon, Mr. Park, and Seligman & Co., to be held subject to the disposition of the suit?

The WITNESS. I will have to read the contract to the gentlema Here is the contract in writing.

Mr. SPRINGER. I understand that this property was sold, on the bas of one million pounds sterling, to Mr. Park, and you agreed to take on half of it in the stock of the company?—A. Yes, sir.

Q. I, then, wanted to know where the proceeds of that stock, boun up with you and Park, would be, so that Lyon could ever reach it?—A If you would read the contract, you would ascertain that. The contrac provided that if it was not all sold within three months, unless the tim were extended for selling it, the stock should be deposited; and th question at the time was what we should do.

Q. Was not the stock tied up for nine months by the agreement yo had made over there?—A. The agreement in the first instance was tha it should not be put on the market for nine months, but that did nc make any difference about depositing it. That anticipated the deposi ing. The contract covered it.

By Mr. HEWITT:

Q. Did Mr. Park insist with you that Lyon's claim was not a serious one, in the course of these long negotiations?—A. He always contended that there was nothing in it, from beginning to end.

Q. Now, will you look at page 37, a letter addressed by T. W. Park, on the 22d April, 1872, to the shareholders of the Emma Mining Company, in which he says:

A contract was made between the New York company and one of the litigants, in August, 1871, by which he surrendered his claim, which was formidable, to the mine, and aided in making a perfect title.

That is Mr. Lyon, is it not?—A. Yes.

Q. And this is Mr. Park's statement of it, made on April 22, 1872, in a public circular addressed to the shareholders of the Emma Mining Company?—A. Well, it was tolerably formidable—the way I was fighting them; I made it as formidable as I could.

Q. Nevertheless, Mr. Park always insisted to you that it was not formidable?—A. He always did in private conversation; that is, he admitted that we were making him a lively litigation, but he always contended that we had no rights in the matter.

By Mr. SPRINGER:

Q. To you he contended that it did not amount to anything, but to the British public he insisted that it was formidable. Is that what you mean to state?—A. It seems to me a criticism on Mr. Park's language there.

Q. It is not mine; it is yours.—A. I have made no criticism on Mr. Park's language. I say Mr. Park contended with me all the time that there was no foundation for this claim; that it was an unjust claim; and he utterly refused to make any statement whatever until I suggested that, by withdrawing this protest, a patent could be got and a title obtained, and that was the only basis upon which Mr. Park would ever settle. If he made any statements subsequent to that which are inconsistent with it, that is for Mr. Park to explain, and not for me.

By Mr. BARNUM:

Q. I understand that this contract between you and Mr. Park and Mr. Lyon had no part in the result of the sale of this mine, except that if the mine was sold he was to have a share of the proceeds. It had nothing to do with the mining company at all?—A. No.

Q. It was merely a basis on which to effect a compromise?—A. Yes, sir.

Q. And if the mine was not sold, Lyon was to go on with his option?—A. I do think that this contract should be read now. There are so many questions asked about it that I would like to explain a little.

By Mr. PACKER:

Q. Had not Mr. Lyon released all his right and title to the Emma Mining Company?—A. Yes, sir.

Q. The title was passed to them?—A. Yes. In the testimony of Mr. Lyon I find the following:

Was there any conversation about that time between you and Park as to the fact of General Schenck's not having paid for those share?—A. No, sir; I do not think that any such conversation occurred. Park never told me that he gave General Schenck 500 shares of stock; my knowledge of that came from Mr. Stewart.

That I also deny. He did not get any knowledge of the kind from me.

Mr. Stewart told me that Albert Grant, when he insisted that Mr. Puleston's na as a director should be with his title as partner of Jay Cooke, McCulloch & Co., a insisted that General Schenck should be a director of the board.

Albert Grant did not insist upon anything of the kind. The wh arrangement was made up on the basis that Mr. Puleston was to b director, and when that fell through, Mr. Schenck was selected, a have already narrated. I could not have communicated anything that kind to Mr. Lyon.

Mr. Stewart said that Grant said he would not take hold of it unless the mini would lend his name and become a director.

As a matter of fact, the contract was made out entirely before the were any directors. The contract, according to my recollection of i provided that they should be first-class men. Nobody was determine upon when the contract with Grant was made. The directors were s lected afterward, after the lapse of several days.

By Mr. HEWITT:

Q. Have you seen the statement issued by Albert Grant within th last month to the shareholders of the Emma Mining Company?—A. have not.

Q. I call your attention, then, to this passage in it, and ask yo whether this statement of Albert Grant with regard to that matter true or not:

Being thoroughly satisfied with this report, (Professor Silliman's,) I made an arrang ment with Messrs. Park and Stewart to aid them with my influence in obtaining t capital necessary to enable the company to acquire it, the price they required for t mine being one million sterling, half of which they stipulated to take in shares of t company.

In addition to the evidences of *bona fides* before referred to, Mr. Park informed me had reason to hope and believe that the American minister, General Schenck, would, requested, join the board of directors; adding that he knew something of the propert and was disposed to invest some considerable amount in its shares, and Mr. Park ask me whether this fact would be favorably looked upon. I told him that it would very satisfactory to every one about to be connected with the company, and especial to myself, as, I added, I felt certain it would inspire confidence in the undertaking, from the well-known honorable character of the American minister, it was not to supposed for a moment that he would have lent the weight of his name, given in ad tion to the influence of his official position, to an undertaking in the good faith of whi he did not implicitly believe.

This proposal for General Schenck to join the board was conclusive to me, as it wou have been to anybody else, however cautious or experienced, as to the entire tru worthiness as an honorable man of Professor Silliman; of the good faith and respec bility of Messrs. Park and Stewart, who were themselves to join the board, and, a believed, entirely covering any moral responsibility I might assume in using the i fluence of my position to assist the vendors in obtaining the capital for the compa That was my fixed opinion then; it is not less my fixed opinion now.

Q. Were you present at any such conversation as that?—A. I w not present at any such conversation as this at all.

Q. This was prior to the formation of the company.—A. No, there w nothing of the kind.

Q. You contradict Albert Grant's statement.—A. So far as I am co cerned, I never heard any discussions on the question of getting directo except that they should be good men; but nobody was determined up and nobody discussed it that I heard until this contract was signed.

Q. He says he made a contract, or came to an arrangement with y and thereupon he proceeded to discuss the propriety of having Gene Schenck as a director.—A. In the way that is written, it rather impl that. If it does imply that, I know nothing about it.

Q. In the sequence of time it can mean nothing else. Therefore wished to get your denial or assent to that proposition of Mr. Grant to have you state whether any such conversation ever took place tween you and him and Mr. Park prior to the formation of the co

pany?—A. I was not present at any such conversation; I never heard of General Schenck becoming a director in the concern at all until the failure to get Puleston, in the conversation that then occurred.

By Mr. HAMILTON:

Q. In regard to this matter of directors, did you ever have a conversation with any other parties in regard to the directorship of the mine about the time you went to Coates & Hankey and saw Baron Grant?

The WITNESS. About the time I went to Coates & Hankey?

Mr. HAMILTON. Well, somewhere along there before the company was organized?

The WITNESS. That is so indefinite I cannot tell.

Q. Then I call your attention to Mr. Johnson's statement, (page 73:)

We further discussed the probabilities of his success in selling his property, and I told him it would be utterly impossible for him to sell it, unless he and Park coupled themselves with it in the direction and as vendors. That, he said, he would not do; that he would not act either as vendor in selling the property, or as a director in the subsequent management of the property, should it be sold; that he would be very slow, knowing as he did the uncertainties of mining at the best, to couple himself in his position—

That is as Senator, I presume—

with the sale of any mine, much less that of the Emma.

Did you ever have any such conversation with Mr. Johnson?—A. I have no recollection of having any such conversation with any one.

Q. You then would have had no objection at that time to become a director?—A. No, no particular objection to becoming a director at all.

Q. Knowing the uncertainties of mining at the best, and in your position as Senator, you would have had no objection?—A. Not to become director in a mining company; it is common in my country every day; there is not the slightest objection to it. I have been a mining-lawyer and a director in mining-companies for the last 15 or 25 years.

Q. Then you could not have made such a statement as this?—A. No, sir, it is impossible that I could have made such a statement as that, because I have been a director in a great many mining-companies.

Q. Did you ever see the statement of Professor Raymond in regard to this mine?—A. I do not recollect of ever seeing it until I saw it subsequently in some of these printed documents.

Q. It was never sent you by Mr. Johnson?—A. I never received it from Mr. Johnson.

Q. You never talked with Mr. Johnson about this statement of Professor Raymond's?—A. I do not recollect any conversation on the subject. When I get to Mr. Johnson's statement I will look at it; I have it marked.

Q. In your letter to Mr. Lyon, on page 11, in regard to becoming a director, dated November 3, 1871, is this passage:

I have been compelled to fully identify myself with the sale, which I did not intend to do.

That statement seems to be slightly conflicting with your statement now.—A. It was not on account of anything about the mine, but I did not wish to occupy my time and stay there. I wanted to visit my family, but I had to stay right there and identify myself with it as one of the active parties, which I did not intend to do when I went there. It was not that there was anything wrong in it; because if I had contemplated anything wrong I would as lief have been directly implicated in it, as to put other people forward. I always take the responsibility of my acts, and I could not have gone there and participated in putting it on the market without having equal moral responsibility.

Adjourned.

WASHINGTON, D. C., *Thursday, March* 23, 1876.

Hon. WILLIAM M. STEWART resumed his testimony as follows:

There is one matter with regard to General Schenck which I omitted to state yesterday: On my return from Paris, when I met General Schenck, and he, as I said, had then concluded to become a director, he stated that he had come to the conclusion that there was no impropriety in his doing so, for the reason that at that time the minister from Portugal, the Duke de Saldanha, was president or chairman of a board of directors having a scheme on the market, the Tramways Company, I think, and that the duke was also the vendor; that he was one of the oldest diplomats there, and that he (Schenck) thought that was a sufficient precedent; that the duke was a man of very high character.

By Mr. HEWITT:

Q. Did General Schenck say that the duke was a man of very high character?—A. Yes, sir.

Q. Did you hear anything of his character in London?—A. I heard nothing about it at all.

By Mr. SPRINGER:

Q. You stated yesterday that you had informed General Schenck with regard to the various persons in England who wanted pulls on this mine. Can you tell me when you informed him of that fact?—A. No; I do not think I stated anything of that kind.

Q. You stated to him that a number of persons were trying to get pulls on this mine?—A. No; I think not. I stated to him this demand of Jay Cooke, McCulloch & Co., and we were complaining of it. That was entirely unadjusted at that time.

Q. You spoke to General Schenck about that. When was that?—A. I think that was the evening previous; I think it was about the 2d of November.

Q. Was anybody else spoken of to Minister Schenck as desiring pulls, except Jay Cooke, McCulloch & Co.?—A. No; there was nothing said about anybody else. This was a matter that Mr. Park was resisting, and he told him about the difficulty; that this man was to have been a director, and the disappointment, and all that. The conversation came up in that way.

Q. The whole matter was related to General Schenck, then, the difficulty?—A. I do not think the details of the matter were related to him. I think it was stated to him in a general way that this man Puleston had promised to be a director, and had now withdrawn because they wanted a commission. I do not think the details of it further than that were stated to him.

Q. Were the details of the compromise which, as you say, had been agreed to with Mr. Puleston, communicated to General Schenck?—A. I do not think they were stated to General Schenck.

Q. Was he informed how much Jay Cooke, McCulloch & Co., or Mr. Puleston were to get?—A. I do not recollect anything about that; but we were complaining of their demand, and that he had promised to be a director, and had declined to become such, and that his reason, as we thought, was a mercenary one. We were indignant about it and thought they were making too heavy a demand. I do not recollect to what extent the details were entered into. I do not think they were fully stated.

By Mr. HEWITT:

Q. Did you give that as a reason for wanting General Schenck to be

By Mr. SPRINGER:

.t that meeting, between yourself and General Schenck and Mr
vas there any conversation with reference to what agreement had
ade with Jay Cooke, McCulloch & Co. as a settlement of their
ls; with regard to the use of the name of Mr. Puleston as a mem-
the firm of Jay Cooke, McCulloch & Co., and that you were to
em £25,000 for the use of their name as trustee?—A. I do not
:t that that was stated to General Schenck.

'hat is your best recollection as to whether or not it was stated?—
) not know that the amount of the demand was mentioned. The
ıs mentioned that he had agreed to become a director, that he
en advising with Mr. Park, that Mr. Park had made arrange-
with him to become a director, and that he had declined to
one, and that this concern wanted a commission. Those facts
tated in a general way. I do not know as the details or the
:s were named. I do not think they were.

t that time had it been agreed between you, Mr. Park, and Mr.
n that Mr. Puleston was to be a trustee for the transfer of the
y from the old company to the new, and to receive £25,000 for
vice?—A. I do not know that that agreement had been fixed at
ne.

'as it pending, or had it been accomplished?—A. I do not know
had been accomplished at that time. It was supposed for a day
to have been accomplished, and there was a backing and filling
ral days. After we commenced talking about it, they were sev-
ys changing from one thing to another. This is a good while
fix all the dates with absolute definiteness. I know that the
with regard to Mr. Puleston lasted for several days.

ou do not know whether it was then settled or not?—A No; I
If there were any papers to refresh my memory, I might state.

o you know whether it was then settled between you and Mr.
ıat Albert Grant was to receive this commission of £100,000?—
t was settled that was agreed upon long before even the arti-

Q. Had you any reason to believe that General Schenck knew t Albert Grant was to receive £100,000 for promoting this scheme p vious to the time that he (Schenck) consented to be a director?—A. I not know that I have.

Q. I wish you would refresh your memory on that point.—A. I not know how to refresh my memory. I do not recollect saying an thing to him about it, nor hearing him talk about it. The contract w made between Mr. Park and Albert Grant.

Q. In any conversation you may have had with General Schenck, with Mr. Park in his presence, was the fact assumed that Albert Gra was to be a promoter of the scheme, and was it understood by Gener Schenck that he was to be its promoter?—A. I am sure I do not rec lect saying anything to him about that.

Q. Did General Schenck know at the time you speak of, the 2d or of November, that Albert Grant was to be in any way connected wi it?—A. I do not recollect talking about Albert Grant to Gene Schenck.

Q. You do not know whether he was so informed or not?—A. No do not.

Q. Did you not explain all about this to General Schenck, and sta to him who was to be the promoter of the scheme, when you ask him to become a director; and did you not tell him who was to be p certain sums of money, and who were to be the other directors?—A. did not explain it.

Q. Did you not deem it important, when you induced him to beco a director in this company, to tell him all the material facts connect with it?—A. All the moneys paid out, and all that? No, I did not.

Q. Was it not a material fact that Albert Grant was to recei $500,000 of the stock of this concern, of which he (General Schenc was asked to be a director?—A. Well, I do not know.

Q. Did you think it right to induce General Schenck to become director in this concern without relating to him a fact of so much i portance as that before he became a director?—A. Well, I did not su pose if the scheme was legitimate, as I believed it was, that the co mission which the promoters were to receive was a matter material him.

Q. You did not think it material to inform him that nearly one n lion of dollars was required to promote this scheme?—A. No; it w contemplated then that nearly a million of dollars would be requir It was stocked at five million dollars, and this man Grant undertook pay the expenses, which they represented to be very large over the and to take hold of it as an operator; that was his business. The c tract shows what he undertook to do.

Q. Do you not know that General Schenck knew that Albert Gr was to receive $500,000 for promoting this scheme?—A. I do know it.

Q. Did you never so inform him yourself?—A. I never did.

Q. And Mr. Park never did in your presence?—A. Not in my pr ence. I have stated to the committee the conversations that occur between myself and General Schenck just as nearly as I can recoll them. What else he knew I do not know.

By Mr. HAMILTON:

Q. You state that you had a conversation with General Schenck which he said that there was no impropriety in his acting as a direc That was after you came back from France, was it not?—A. Yes.

Q. When you first made the suggestion that he should be a director, did any idea of the impropriety of his becoming a director seem to enter into his mind at that time?—A. He said he would think about the matter, whether it was proper to be a director or not. This was in the conversation that evening. I think it was on the 2d of November.

Q. But there was no suggestion made to him by you or Mr. Park, or by his own mind, that there was any impropriety in it?—A. He said he would consider about the matter.

Q. But on first blush it did not seem to him proper?—A. Well, it did not appear to seem to him improper; still he hesitated.

Q. What was the length of time intervening between this conversation and the subsequent conversation in which he stated that certain other parties were directors of certain schemes?—A. It was within two or three days when I met him again after I came back from Paris.

Q. The first parties whom you saw when you went to London were Coates and Hankey, I believe?

The WITNESS. The first that we saw?

Mr. HAMILTON. The first parties that you saw in regard to this matter.—A. Yes.

Q. That was shortly after you arrived in London?—A. Within a day two.

Q. Did you inquire into the character of that firm?—A. I did.

Q. You were taken then to Albert Grant. Did you inquire as to the character of Albert Grant?—A. We did.

Q. What were his character and standing in London?—A. Our inquiries were made of Mr. Puleston. Mr. Park formed some relations with Mr. Puleston in order to ascertain. We learned that Albert Grant was a man of wealth, and a very efficient man in anything he undertook.

Q. Was his character excellent?—A. We did not hear anything against his character at all at that time.

Q. You did not know how he was regarded by the people of London?—A. No, I did not.

Q. That is, by business men. Was it likely that General Schenck knew anything about his character?—A. At that time? I presume not. I do not know that he had ever heard of it.

Q. That he was a notorious character in London?—A. He was known in stock operations as a leading man.

Q. Fair, honorable, and upright in his dealings?—A. Well, he was regarded as an efficient operator.

Q. Why did his name not appear in connection with this thing before the English public?—A. I believe that is not usual with the operators. I believe those who operate in stocks do not usually present their names to the public in connection with it.

Q. Had he been a fair, honorable, upright dealer as well as a man known to be efficient in floating stocks, would not his name have been announced to the public as connected with this matter?—A. I believe that was not the way operators in England were in the habit of doing.

Q. Is it customary for them to conceal their names?—A. It is not customary for them to start them ahead; at least that is the way it was told to me. I confess that the stock-board of England was a new think to me.

Q. Did General Schenck ever see Coates and Hankey?—A. I do not think he ever did.

Q. Was Mr. Grant's name ever mentioned to General Schenck as being a promoter?—A. I have just answered that question; that I have no recollection in regard to such a conversation.

Q. Would it not be natural for an ordinary business-man about to become a director to ascertain who were the promoters of this scheme?—A. It might be. General Schenck is not very much of a business-man. He may have inquired of Mr. Park, for all I know.

Q. Would any business-man in this country, who had a character to sustain, go into any scheme of that kind as one of the directors, and lend his name to it without knowing all about the promoters?—A. Why, most certainly.

Q. Without knowing about who were its promoters?—A. If a man were asked to be a director in a railroad company, if it were the legitimate enterprise of building a road, or if he were asked to be a director in a mining company, and believed the mine to be a good one, that would be the main thing. If the property to be sold is a valuable one, I should not think it would matter to him so much who were to be connected with it.

Q. Did General Schenck know anything about this mine before he accepted the position of director?—A. Nothing, except that he had seen Silliman's report. That was exhibited to him by Mr. Park.

Q. Would not an ordinary business-man, in the same situation, want to know exactly who were the promoters of the scheme, and who were the parties interested in it?—A. I suppose if he knew who were going to be his associates as directors, that would be the main thing. General Schenck was very particular to know with whom he was to be associated as directors, and that they were men well known in England, who knew all about the transaction. He relied, of course, upon the character of the men there who were familiar with the country and with the promoters. He wanted to have men of standing in England as directors to vouch for it, and was particularly careful about that; that is what he asked me. Said he, "I want to know who are to be the directors in this company," and I went down and got him the names of those who had been proposed, and sent the list to him for the purpose of informing him.

Q. They were all Englishmen, were they not?—A. They were all Englishmen.

Q. Had he any reason to suppose they knew anything about this mine?—A. The character of the directors in England is what he was inquiring about; and that I suppose is what an ordinary man would inquire about. As to the character of the mine, he had Professor Silliman's report. I told him that I had not been in the mine, that it had a good reputation, and that I regarded the mineral formation as a very flattering one.

Q. These gentlemen were Englishmen. Was it not likely that they would be influenced by the character of the directors who were Americans rather than that the Americans would be influenced by the character of the directors who were Englishmen? That is to say, would not the Englishmen suppose that General Schenck, or an American director, whoever he might be, would know something about this mine rather than that an American director would suppose that an Englishman knew anything about the mine or the character of the men who were selling it?—A. I suppose the influence would be mutual.

Q. Did you know these English directors?—A. No, sir.

Q. Did Mr. Park?—A. Let me answer your previous question first I suppose that General Schenck would be influenced by the character of the men who were acting as directors, and who in the first place ought to know, and did know, the people of England. I presume that the English people would be influenced to some extent by the character of

the men who were willing to go in with regard to the mine. But the English people in this case had as much information about the mine as inybody had. The ores had all been sent there by regular shipments, ind to regular houses, and the accounts were there and had been preiously examined by a large number of Englishmen, and letters had een written about it. It was pretty well known there at the time. I iink that the English directors, as they went in, knew as much about the ine as did General Schenck, and probably a great deal more, as I esume they had paid more attention to it. On page 62 of Mr. Lyon's stimony there is a series of questions:

Q. Did not both Mr. Stewart and Mr. Park say to you that Mr. Park was interested th Mr. Stewart in the purchase of your interest in the Emma Mine?—A. Yes, sir; t at the same time. Mr. Stewart, I think, told me when he first made the trade with that he had interested Mr. Park, or was going to: and then Mr. Park told me after . Stewart left that he had a one-third part of that purchase.

Now, with regard to that, I did offer to Mr. Park, when Mr. Lyon as anxious to stay, that he might take my portion of it; that, so far I was concerned, I wanted to accommodate Mr. Lyon, who was ixious to get money. It stood as I stated the other day.

Q. Was it not the interest of Mr. Stewart, at the time he was making the representaons to you of the necessary appropriation of these different sums of money to other irties, to show you that your interest in it was not as great as you and he and the her parties had previously supposed it would be?—A. Yes, sir; I think so.

It was my interest to give him a fair idea about it. I had no interest the property, further than my interest with him, and it was my interst to let him know exactly how it stood. I was not trying to make ny trade with Mr. Lyon; on the contrary, I did not want to do it.

Q. Was it not equally the interest of Mr. Park, being interested with him in this rchase, to convince you that Mr. Stewart's statement was correct?—A. Mr. Park's rchase had not been made then when Mr. Stewart made the statement to me.
Q. Did you not state in your testimony yesterday that Mr. Stewart told you that r. Park was equally interested with him, or interested to some extent?—A. Not until ter I had settled with Mr. Stewart.

It was before that; it was while the thing was pending that I told Ir. Lyon that I had offered to Park the privilege of taking any porion of the interest, and to go in and buy Lyon out, and give him the ioney that he wanted.

Q. You were asked whether there could have been any motive on the part of Stewart d Park to falsely represent that General Schenck was to receive this £10,000 of the ock of the company?—A. Yes, sir; I think it was to their interest; that they had in ew the subject of buying my contract.

That was never thought of by either of us, and I had never dreamed it until Mr. Lyon came and was so persistent in regard to it.

Q. Was it not that representation which induced you to take $150,000 instead of 00,000, which you had originally asked?—A. Well, when they had made up this bill expenses to me, I found their construction of the contract was different from mine; at is, that they held that all the moneys paid out should be chargeable to me, as penses, in addition to the $1,500,000 provided for in the original contract between Emma Mining Company and myself. Mr. Stewart insisted upon putting that conuction upon it, and then convinced me that there was nothing coming to me, or hing to deposit with Seligman & Co. according to the terms, if I took the onehth.

If he took the one-eighth. In that case, of course, the amount that s coming to us was likely to be very small. But if he took the onerd, the money was there to be deposited to litigate for.

By Mr. HEWITT:

Q. How was it so small if you sold it for $5,000,000?—A. There were

these unadjusted claims that I mentioned yesterday to be taken out of it. There would be something coming, but there would not have been any large amount of money to come out of it.

Q. All these things to come out of the eighth?—A. To come out of the total.

Q. To come out of the $3,500,000 that were to be left?—A. I do not exactly understand it. In the first place, settlement-day had not come, and he was there before that. There was this claim of Grant's to come out. There was a demand of Lewis & Son's pending. There was the demand of Jay Cooke, McCulloch & Co. pending. It was not certain that all the stock which had been subscribed for would be taken up; it might have to be taken back. It was supposed likely that some might have to be taken back which had been subscribed for. So that it was very uncertain whether on settlement-day there would be more than $1,500,000 in the treasury.

Q. But there would be stock?—A. Of course there would be stock—and the balance of this stock. But what he wanted was money; ready cash. I was explaining to him that we had not got the ready cash. That is what I wanted him there for. I did not know whether we were going to get into the treasury on settlement-day over $1,500,000, and I was afraid we would not, and wanted him there to see what we would do in such an event.

By Mr. BARNUM:

Q. In that case there would have been nearly $200,000 due, even if there had been only $1,500,000 in the treasury?—A. No; $1,500,000 had to be first deducted. Then it had been suggested that there might be 3,000 or 4,000 or 5,000 shares of this stock that would have to be bought back, which would not be taken by settlement-day on allotment. We did not know whether it would all be allotted or not, and did not know how much money was to come in until settlement-day arrived.

Q. Then do I understand you that you had an understanding with Baron Grant that the people who subscribed were to have their stock, and that you gentlemen were to keep the balance all back and appear as subscribers for that amount? Here was a prospectus sent out to the public, offering $2,000,000 (or £400,000) to the public. Suppose the stockholders had come along for only £100,000, do I understand that it was a part of this plan with Baron Grant that you and Mr. Park and he were to take the remainder, and that the public were to understand that that was subscribed for?—A. It was said that when the stocks were put on the market in London they were immediately jumped on by the bears—no matter what stocks; that any stock which went on the market was assailed by the bears, who attempted to run it down and break it, and there is a fight from the time it is first put on the market; there is a bear party and a bull party in the stocks during the whole time. And it was suggested, as I understood, that in case the bears jumped on to it, Baron Grant was to buy in enough to prevent them from breaking it, and that he might have to call in and buy back some. These fellows might throw it on the market.

By Mr. HEWITT:

Q. In other words, he was to "rig the market," as they say in London?—A. I do not know what they call it.

Q. That is the term used; and I wish to know whether that was the understanding between you and Mr. Park and Baron Grant?—A. The contract will show what the understanding was.

Q. No; but you have testified here that you told Mr. Lyon, befor

be settlement-day, that there might be an assessment to take the stock ack, and that there might not be over half a million in the treasury, though you thought there would be $1,500,000. Now I want to know hat induced you to make that statement. Was there any understand-g between you and Baron Grant and Mr. Park by which that stock ould be bought in on your and Baron Grant's account, and the public be left to suppose that that stock had been placed? That is called igging the market" in London.—A. You will see by the contract be-een Grant and Park that there was something with regard to sus-ning the market.

Q. We have not the contract between Grant and Park here. We uld like a copy of that. Have you a copy?—A. I have not. If I I would furnish it at once.

Mr. HEWITT. That is a very important paper.

The WITNESS. I think there was some provision about the market in contract.

By Mr. HEWITT:

Q. Mr. Lyon, in his testimony, on page 13, says that Mr. Park came o the room when you were holding this conversation with Mr. Lyon regard to the value of his interest, and said, "Do not forget to tell . Lyon what we have got to pay Mr. Albert Grant, and that we have to buy back five thousand shares of stock on the London Exchange ore settlement-day." I presume that is the item in the contract to ich you refer.—A. I do not know that there was any provision to buy k any number of shares. I don't think there was that much. It s simply understood that if they undertook to destroy the property jumping upon the market, we would not allow the subscribers who l paid in their money to be injured by it. But settlement-day had arrived. When anything is paid in in London, if the allotment is taken up, it is returned to the subscribers. The rule is uniform. enever the whole allotment is not applied for, the money is returned the subscribers. It is done every day in London.

Q. Now, here seems to have been an arrangement between you and . Park and Baron Grant by which the confiding public, or the public o chose to come in, were not to get their money back unless the ck was entirely taken. It was all to be taken by you and Mr. Park l Baron Grant, and an arrangement made by which you were to buy ertain number of shares in order to keep up the price. You have tified to that.—A. Not quite in that way, I think.

Q. I am stating it as a practical matter of business, that is all.—A. id not understand all the details of the thing as a practical matter of siness. My understanding was this: that if they undertook to bear s stock and offer it below the market—if the bulls jumped on to it, interfere with the subscribers—that Grant was to manage it, and take e of it.

Mr. HEWITT. You say "interfere with the subscribers." When a man scribes for stock, and pays his first installment in, how is he interfered h? He knows, or supposes he knows, what he is going to do. He s so much stock; he is bound, if the whole stock is subscribed for, go on and make the rest of his payments; and if not, his money is to returned to him. I can see how Baron Grant and you and Mr. Park an interest to make this thing go, but I do not see that the innocent scribers had an interest in that transaction.

he WITNESS. Maybe I can show you now. Suppose, now, they were ng these shares in the street before anybody had any stock atall

I was told that it was the custom to commence selling short outside, in in order to create a panic and prevent the subscription.

Mr. HEWITT. That was your interest, and Park's, and Grant's, because you were all going to make money out of it; but how was it the interest of a subscriber, especially of a man who had not yet become a subscriber?

Mr. PACKER. They might have an interest in being released from the subscription.

The WITNESS. Suppose the subscribers are such in good faith. We believed it was a good thing for them to subscribe. I believed that the stock was worth all that was being offered for it; that it was a good investment, and a legitimate undertaking. It was said that the bears had this trick in London, which I have explained. Grant was going to look out that they did not play that game on it.

Mr. HEWITT. You and Grant and Park agreed together that the stock should be bought in the market, in order to sustain the stock prior to settlement-day. Please to answer that question categorically, whether you and Mr. Park and Mr. Grant had such an understanding.

The WITNESS. I understood this——

Mr. HEWITT. I want an answer, yes or no, to that question, and I have a right to it.

The WITNESS. I will answer yes or no when I have stated——

Mr. HEWITT. Answer, if you please. The question is a straight one, as plain as the English language can make it, and we have a right to an answer, yes or no.

The WITNESS. Yes, with this explanation——

Mr. HEWITT. Having said yes, we will take the explanation.

The WITNESS. Yes, if you please, it was understood that if the bears undertook to blackball this stock and sell short when they had none, for the mere purpose of destroying it, then Grant was to take care of it, and not let them succeed. I was told that that was done in all cases. If they put a government loan or anything else on the market, and the bears jumped on it, somebody had to protect it before the settlement-day should come, because they would sell without having the stock. That was a common thing among the stock-operators there.

Q. Was it explained to you that, in order to induce the public to subscribe, it would be necessary to keep the quotations at a premium prior to settlement-day?—A. There was no further explanation than that.

Q. Was the stock at a premium as a fact prior to settlement-day?—A. I was not there on settlement-day.

Q. But prior to settlement-day?—A. Yes, it was.

Q. To prevent it being offered below par?—A. Yes; if they undertook that game on the stock, I understood that was to be done.

By Mr. BANKS:

Q. Did you understand this arrangement about buying back shares to be peculiar to the country, and necessary for its success, or that it was the general practice of the market?—A. I was told that it was done in every case; that there was no stock, nothing, put upon the London market, but what the promoter had to stand by until settlement-day, and see that they did not blackball the stock by selling what they had not got, selling short.

Q. Then was your action for the purpose of conforming to the general practice of the stock-market?—A. I suppose it was; the stock-operators suggested what had to be done there; I never was a stock-operator in any country, but I learned that that was the usual practice in London in all cases.

Q. Do you know whether the practice was confined particularly to mining operations?—A. No, sir; it was common to all business enterprises of all kinds. I was told that was the universal practice.

Q. Which was considered necessary in order to give security to a stock, to an enterprise of that character?—A. Yes, sir; for the promoter to stand by in such an event.

Q. Do you know whether that practice of buying back extends to loans to foreign governments as well as to mines or other corporations?—A. I was told that it did; that it was universal.

Q. Then the whole negotiation or arrangement between you and these parties was based upon the general practice of the stock-market?—A. That was it.

Q. It was the universal rule?—A. That is what I was told.

Q. Without which success was difficult or impossible?—A. Yes; if there had been a trick about it—if it had deceived the public—if I had not been told it was the universal rule of the London Stock Market—I should not have consented to it.

By Mr. BARNUM:

Q. Was this stock all actually subscribed before settlement-day by *bona-fide* subscribers?—A. The half that was put on the market—yes; and a good deal more than that.

Q. But the other half you parties had an interest in?—A. Yes, sir.

Q. Were you actually subscribers to the stock as well as those others that took it on the market then?—A. It was understood that half of it was to be kept back—that one-half was to be retained for the vendors.

Q. That was to make you actually a subscriber, then?—A. We did not have to subscribe for it; it was to be retained.

Q. It was advertised how much was to be put on the market and that half of it was to be retained; but Park, Stewart, Grant & Co. were the actual owners of one-half the stock, and the other half was put on the market?—A. No; Grant was in with the half that was put on the market; the original vendors retained the one-half that was not put on the market at all.

Q. By that it would appear that the stock was all taken then, if the vendors sold one-half and kept the other half?—A. The 25,000 shares which were put on the market were more than the number subscribed for by *bona-fide* subscription.

Q. That subscription was just as *bona fide* on the part of the vendors?—A. That would make it $5,000,000, if that which was retained was a subscription. The other half was much more than was subscribed for. That, I believe, had been done before I left. I think subscriptions had been received for more than the amount advertised.

Mr. HEWITT. Have you got the contract with Baron Grant?

The WITNESS. I have not; no.

Mr. HEWITT. Do you know who has a copy?

The WITNESS. I do not know; I think there is a copy in town, but I am not certain. There is a copy, as I understand, used in some proceedings in New York, which was sent from England with other papers. If I have it among my papers I will produce it.

On page 64 of Mr. Lyon's testimony I find the following:

By Mr. SPRINGER:

Q. I will ask you whether one of the inducements held out to you by Mr. Park and Mr. Stewart, for receiving $150,000 instead of $500,000 which you were promised for your interest, was not that the mine was worked out and the rest of the shares tied up for nine months, and that if you did not take that you might not get anything?—A. I saw very clearly that I would not get anything, according to my view of it; the shares were tied up for nine months.

Well, the witness does not say that there was anything said about the mine being worked out, but that question assumes that he was to take the $150,000 instead of $500,000, which he was promised. He was never promised any $500,000. The contract shows what he was to get.

By Mr. FAULKNER, (in the chair:)

Q. When you made this settlement with Mr. Park, you were to reach a result which you supposed might be fair for your client, Mr. Lyon. Was there placed before you any authentic exhibit of the proceeds of the sale of the stock, and of all the just credits that were to be allowed accordingly?—A. I know it was a little uncertain how the thing would come out. What the stocks would sell for we could not tell. When Park settled for me at the last—at the end, do you mean?

Q. I mean the final settlement.—A. If the chairman will allow me, I would like to go into that subject more particularly by itself. I will not omit it.

By Mr. HEWITT:

Q. Had you any interest in the mine itself at the date of this sale—at the time of the formation of the company and the purchase of Mr. Lyon?—A. I had a fourth interest with Mr. Lyon.

Q. A fourth interest in his share under your contract?—A. Yes; Mr. Hillyer and myself had.

By Mr. BARNUM:

Q. You had no other interest except the interest you had in the contract with Mr. Lyon?—A. That is all.

By Mr. HEWITT:

Q. On the prospectus issued by the company, in which you are announced as one of the directors, it is also announced that "T. W. Park, esq., president of the National Bank of North Bennington, Vermont, and the Hon. William M. Stewart, United States Senator, both largely interested in the mine, have consented to become directors;" that interest was your interest with Lyon?—A. Yes.

By Mr. SPRINGER:

Q. How much would be your interest in Park's contract on the basis of a $150,000 settlement; one-fourth of the $150,000?—A. On the basis of Park's contract for settlement?

Q. Yes.—A. If I had been willing to let my interest go in that way that would have reduced it; but I was to have one-fourth of what Lyon had.

Q. Then, did you settle with Park upon the basis of $500,000 interest in Lyon?—A. I will state the basis on which I settled.

Q. Did you settle with Park upon the basis of such an interest?—A. No; I did not.

Q. Did you settle with him upon the basis of $450,000 as Lyon's interest?—A. No, sir; I did not.

Q. On what basis did you settle with him?—A. I want to come to that, and state it distinctly and separately, if you will allow me, and not to mix the matter up, as I wish the story to be clear.

By Mr. FAULKNER:

Q. You ascertained at one period that the share or interest of Mr. Lyon would be $200,000, and you settled with him upon that basis, allowing him $150,000 out of the $200,000. Now, I want to know upon what data you reached the conclusion at that time that the interest of

r. Lyon should be surrendered, he being your client and you his coun-l, at the rate of $200,000.—A. Mr. Lyon wanted money, and did not ant to wait and see the enterprise through. He did not want to take is option to have a one-third deposit. He made and urged this propo-ition to just lump it, and begged of me to do it.

Q. You, of course, had to make some exhibit to Mr. Lyon to show him hat his interest ought not fairly to be estimated at more than $200,000? —A. No; I did not. I told him that his interest would be much larger than that, and advised him not to sell out; that I could not tell how it would be; that I did not think it would be possibly less than $300,000, and that it might be more than that when this stock was turned out. I told him not to do it, and did not want him to do it.

Q. Did you not, in that conversation with Mr. Lyon, enter into an estimate of what would be the drawbacks or credits?—A. Not in that conversation; when he first came there, when I brought him there for that purpose, I discussed the question whether we should have a third of these proceeds put up to litigate about, or whether we should take the option; and discussed the probabilities as to how much would come one way or another, and laid the matter before him.

Q. That is not meeting the exact point of my inquiry. Assuming that he took the option, and that he was to be satisfied with money under the option granted to him by the contract, did not you enter into a statement to him, tending to show what would be the drawbacks or credits, so as to reduce his interest down to $200,000?—A. We tried to guess what the probabilities would be in the sale of the balance of the stock; the thing had not been consummated. We discussed what the drawbacks would be—the chances of the stock being sold, and all those things—and I advised him to stay there and take what it was, to attend to it himself, and get the money.

Q. Among these drawbacks were offsets and deductions. You have already mentioned that. You stated the claim of Grant at £100,000, and the claim of Jay Cooke, McCulloch & Co., also. Was that of Mr. Schenck also mentioned as one of the drawbacks?—A. No, it was not. I have already stated that it was not. Now I come to a very remarkable story, (which is commenced on page 71 of the testimony,) that of Hiram A. Johnson. At the time I was about to go to England, Mr. Lyon gave me a letter of credit, or a letter, to Mr. Moffat, a partner of Mr. Chaffee, telling him in case I wanted money for expenses, if I called on him, to let me have it. It was in pursuance of this arrangement that had been made with Mr. Chaffee to furnish the money. As I before said, Mr. Lyon had no money. Mr. Lyon was at that time a bankrupt. It was not certain where I would find Mr. Moffat, but Lyon said there was a man there by the name of Johnson who would know everything, and that he had his address; so he would give me a letter to him. He cautioned me, however, not to say anything about any business matters to Mr. Johnson; that he did not want him to know anything about what he was doing. I had occasion to find Mr. Moffat and did not know where he was, and went to Mr. Johnson's address. Mr. Johnson I found to be a very familiar man at once; he asked me all sorts of questions, and wanted to know all about what I had come there for; was very inquisitive from the start. He met me something as he did yesterday morning. When I came in here, he came up behind me and stuck out his hand, and I supposed it was one of the committee-men, and I got up and shook hands with him. He is a man who insinuates himself very readily into gentlemen's society; and if I had known who he was, after seeing this testimony, I should not have spoken to him. He goes on here with a long

story of conversations with me. It commences at page 72, and I propose to show, before I am through, that this apparently disinterested attempt to prevent the people of England from being blackmailed and robbed was not, after all, so disinterested a piece of business on the part of Mr. Johnson and Mr. Lyon, and I will show it in a very few minutes; but before that I wish to call the attention of the committee to this testimony, for here is a part of the conspiracy. He goes on to say:

I told him I had received letters and reports from the United States which induced me to believe that the mine had essentially given out—essentially failed to show the richness in mineral that had been anticipated by the owners. Whether this conversation occurred at the first or second or third interview I had with him, I am unable to state. The date of that interview was, I should say, in the last days of August, 1871, possibly as late as September, but as I well recollect it was only a day or two succeeding the arrival of Mr. Park and Mr. Stewart in London. He said that he thought the mine was not as rich as had been anticipated, and asked me if any evidence or publicity of this report had transpired to my knowledge in London. I told him that I had a paper, which I remember was the Central City Register, published in Colorado, that contained a reprint of the letter of Prof. Rossiter W. Raymond, spoken of by Mr. Lyon, who had visited the mine in July previous, and had communicated this letter to his paper in New York, the Mining Journal. I told him I had that, and he asked me to get it and show it to him, which I promised to do. I gave him the contents of this letter or report by Professor Raymond; told him that he had spoken of the mine in the most disparaging terms; that it was a mere pocket, and liable to give out at any moment, and I assured him that from what I knew of the English standard of mining I did not believe it was possible to pass such a mine as the Emma Mine was, under the favorable observation of such a mining engineer or expert as would be sent out to examine it. I told him I thought it would be quite impossible to sell a mine in that condition.

No such conversation as this occurred. The conversation that occurred between us was a very officious statement, on his part, about the way the mines were sold there; and he then tried to find out what we were going to do, which he appeared very anxious to know. But I had been already put on my guard. When I went around with him to Mr. Moffat, Mr. Moffat said to me, "Where did you know this man Johnson?" I told him I had not known him before, but that I had got a letter of introduction to him in order to find him, (Mr. Moffat.) "Well," said Moffat, "he is a very dangerous man—a very slippery fellow;" and he told me not to have anything to do with him. I was thoroughly on my guard as to the man, and was informed what kind of a man he was; and that I should enter into such confidential relations with a stranger, telling him all these things which he relates, is perfectly absurd. I did not do anything of the kind. I have no recollection of his ever sending me any report, or anything of that kind. The only report made by Rossiter W. Raymond, of which I have any recollection, is this one, stated in Professor Silliman's testimony, which is before the committee. There may have been other letters with regard to it, but if Mr. Raymond, or any one else, had stated facts with regard to the mine giving out, it would have attracted my attention; but if he had given an opinion that it was a pocket, and was not a good formation, it would not have had any weight with me. I had seen the formation myself—that is, the mineral-belt—and had traced it for miles, and knew it to be a great formation. Any criticism such as that, by a man like Raymond, would not have had any weight with me whatever. If it had been a declaration to the effect that the ore-body was deficient in the measurement of the ores in the mine, it would have attracted my attention. I do not recollect anything about any paper being sent to me. He asked me who was going to put it on the market; if I was going to be one of the directors, and if Mr. Park was going to be one of the directors. I

)id you not, before this was put upon the market, ascertain as
· mining shares were selling there, and what the difficulty was?—
e only thing they wanted was a good mine. In mining shares
ıad been some unfortunate sales made at that time. For instance,
neral Hill had an unfortunate sale.
Sut did you not know that it was a very difficult place for Ameri-
ining stocks on the English stock-board; that it was very difficult
e them?—A. I knew nothing about such difficulties. I believed
ıis mine would sell, because I believed it to be exceptional to any-
else that had been there, and I believed it was well known in Eng-
and I did not think that the condition of the stock-market was
to affect it particularly.
)id you believe that this mine was generally known to the public,
at it would sell anyhow, no matter who was connected with it?—
ıought the mine would sell; I thought it was pretty well known
public.
Fou did not much care who the directors were?—A. At the time
I had this conversation with him, we had not considered that
t. I was a stranger in London, but this man, when I was intro-
to him, followed me around and quizzed me.
Then all other mining stocks were very difficult to place, and there
ery little sale for them in the London stock-market; but this was
ception?—A. I believe there were a great mining people in Lon-
it is a great mining market. Swansea is the greatest place for-
le of ore that I know of. The English people are dealing in mines
ry part of the world. It is a great mining market, and a good
will sell there at any time; but the fact that the people had been
ed with bad mines would naturally make them more cautious.
Were there not good mines on the market, the stock of which it
lmost impossible to sell?—A. I do not know that.
Then you knew that all good mining stocks sold readily at that
—A. I did not know about the condition of the market. I had
en in London but a day or two. I knew that there were London
ınies operating in different parts of the world; that the English

Q. But before this stock was placed—before the directors were named—did you not ascertain something about the difficulty of placing American mining stocks on the market?—A. I heard that it was difficult to place any stocks on the market, mining or otherwise. That the London Stock Board was a very rough place for any kind of securities. That the bears were after the market, and that they had a great old time. And I got very much disgusted before the matter was over. I went into it, and followed this thing along in order to protect Mr. Lyon's interests and to help him out; and I did so without intending to get myself into the London Stock Board when I started from here. But I believed that the mine was a first-class enterprise, and that it had been sufficiently advertised in England, by reason of the ores being sent there, so that it would sell for a reasonable price. Now, I propose to proceed with Mr. Johnson, and call the attention of the committee to what he represents here as being a very patriotic action. I propose to show that it was an interested motive which prompted him, and that may throw some light on the whole transaction before this committee.

By Mr. SPRINGER:

Q. Were these the "English gentlemen of the highest reputation" to whose assistance General Schenck came when he became a director?—A. Yes, sir. I will state that after Mr. Lyon arrived in London we were in daily communication. While he had interests in this property or moneys to receive from these men, in view of my past and then existing relations with Lyon, it would have been utterly impossible for me to have made any demonstrations against the proposed sale of this property, having been, and then still being, his attorney, which I otherwise would have done, and was anxious to do. There was another reason which I had to take into consideration in determining how or whether I could arrest the perpetration of this fraud upon the British public, and that was whether I had or could have in my possession that kind of palpable and positive proof that would render successful any efforts that I might make against this combination that had been formed by men of high position. But as soon as I was assured that it would be proper for me to demonstrate against the consummation of this fraud, I availed myself of the earliest opportunity to do so, which I will explain briefly.

Then he goes on to explain the efforts he made, most high-toned and patriotic in their character. And after he had stated these grievous wrongs that he had told to various men, the committee ask him this question:

Q. But you made no publication?—A. Yes, sir; I had sent a circular previously, containing substantially these facts. Mr. Anderson asked what I would do if I were in his place. He said, "Here we are; we are involved in this scheme; if it turns out as you indicate it will ruin all of us." I said I comprehended the delicacy of his position, and realized the responsibility and results that might accompany any action they might determine upon; that it ought to be done with the utmost care and consideration. I said, "You are a barrister, Mr. Pemberton, and I am a stranger in London, not conversant with your laws, but if I were the solicitor of the Emma Mining Company I should advise what to do." Said he, "What would you do, Mr. Johnson?" Placing my hands on Mr. Anderson's shoulder, I said, "I would put the strong arm of the law on Mr. Park; he is still in London, and he never should quit this island until he had surrendered the money that he has robbed your associate shareholders out of;" and knowing the timidity of Mr. Park in the position that he occupied at that time, (I had a mirror behind him that reflected all his movements,) I warned them if they intended to retain any portion of the money that he had already secured, and was about to secure, that they would be required to take efficient means to detain him, and prevent any further cabling of money to New York.

Permit me now, in this connection, to read the following letter of Mr. James E. Lyon. I know his handwriting, and it is his:

LANGHAM HOTEL, PORTLAND PLACE, LONDON, W.,
May 31, 1872.

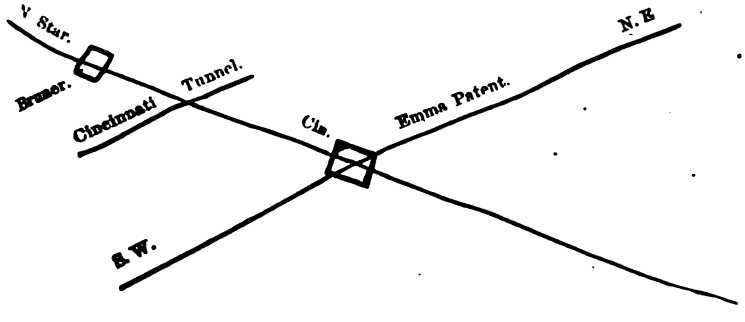
FRIEND ALMY: I received your letter, and many thanks for your attention. I write you in confidence, as I am not disposed people shall generally know anything of my business, and you are the first one I have written to on the subject. Now when I

came here I had Stewart's letter saying I would get $500,000 sure. After I arrived I found that no money was to be paid to me according to the terms of a contract made by Stewart with Park before I arrived from Salt Lake, as they were to get $1,500,000 first, out of the first moneys received. So they sold for $2,500,000 one-half, and paid the various manipulators $1,000,000, so they held all the money. Now, I was to get one-eighth of the balance, and Stewart told me in New York that he would not consent to sale of the mine unless I was to get $500,000, as the contract expressly provided that the mine was not to be sold unless by consent of Stewart. Stewart told me the last thing when he left New York that he would not consent to a sale unless I got the 500,000. When I came here I found that the 25,000 shares were tied up for nine months, and I could not get one-eighth of them even. So I sold out to Park and Stewart for $150,000 currency United States. I have since learned why Stewart sold me out. Park told me he agreed to pay Stewart a commission if he would go to Europe and assist in selling the mine. This is why he made such a contract in settling the suit, and the further sum of 2,000 shares of stock.

Stewart has now received about $400,000 cash, all by selling me out. Now, Tom, I learn he, Stewart, went to New York and told the shareholders that he could settle my claim for 5,000 shares of the stock if they would sign a contract giving Park the refusal of all the stock for one year at £10 per share. So they signed it. I send you the contract. Baxter and Stewart got the full price the stock sold for, but were only decoy-ducks to get Hussey and others to sign. Park has used them, you bet. Won't they howl when they know all they will? Park told them that he would stay, or Stewart told them, as Park's attorney, that many shares would have to be given away to sell the balance, &c., &c. I heard all the talk here before Stewart left. The game was all concocted here, and P. has gone away with $2,500,000 for himself and Baxter. They are (Stewart and P.) a damn set of villains. I sold the stock, as I would not give one cent a share at that time, nine months ahead. The stock was not tied up a week after Stewart left. So they lied to me then.

So much on this subject.

Now to business: When the Illinois tunnel struck pay, a telegram came from Hussey that 8,000 tons more ore struck by that tunnel. Park got up in the meeting here and stated that they had heard a report that the Illinois tunnel was claiming the ground, but that they were amicable and not disposed to hold it, but would give it up. Excitement here great; and I assure you they cannot hold the ground, as the Emma must stand by their patent, and can hold no mines that were located prior to the Emma. They must run northeast and southwest; and Woodman, Chisholm, Day, and others can now make Emma settle. You see, a flurry in the title now will raise all with the shares. Haskin has now a chance to get in. I wish one of them would come and raise hell; they would send out an agent at once to settle. They remarked at their meeting yesterday that it was plenty of time to settle when a claim was made. Say out any of these fellows and bring a suit. They say here they will hold Bruner line. All Silliman's reports say the ore is to the northwest, as we always calculated. I am a bear of the stock at £28 per share, and I shall stay a bear until the whole thing explodes. Bill Lent got $65,000, and Park told me he would not give up a dollar to the San F. Co., as this was hush-money, you know; $8,000 was paid him here and the balance was to be paid in New York. He is a *sweet-scented pup*. Now, I telegraphed yesterday to send me diagram Illinois tunnel, Cincinnati lode, and Cincinnati tunnel



Now, you understand that the Cincinnati lode was a relocation of the Saint Louis, and made in June or July, 1869. Emma cannot possibly hold that ground, as the deed the Emma parties have signed is only of the patent ground, and the Emma must get in trouble with the Susquehanna, Pittsburgh, Cincinnati, and other claims older than this. Now, where the Illinois tunnel is I cannot say; 366 feet, I think, is the distance between the Emma shaft and Bruner

Now, Tom, if a suit is brought against the title there, or against the company, they will see the stock to £10 in a day, I think. If any one should sue or claim the ground, telegraph me at once.

I want the claimants to pitch in; you see what I want. Agitate all this, and write me particulars often, and send me any evidence you can. How are your finances? Have you any money? What are you doing? Have you settled yet with Norman? How I jumped when I heard the decision of the Chief-Justice, Chase. Good for the Mormons; I had a good notion to telegraph congratulations.

Dalton is trying to do something for me; I mean William; confer with him. I can make a sale of the conflicting title if I could get a suit brought there. Emma has not a pound of ore they can hold in the mine. They have a good title, but no mine. Rouse up now and raise hell with these conflicting titles. They had a meeting yesterday and I made a speech half hour long, and they published about a dozen lines of it, and said that all I said was favorable to the mine; so you see how they labor to misinterpret things to bull the stock. Park intends to come here again and sell the stock short. All the dividends they have paid is out of the money placed in treasury at the time of sale with the ores on hand, 2,800 tons. I mean to raise hell with these fellows and get even with them. I am coming home and we will see what we can do next. I hope to be there by November, and perhaps in September. I want all the points about Camp Floyd. I learn they have a mill and the mill will start in about a week, but d—d lean ores is my information. Have me posted promptly and often. I am short of that also, and I am short of Flagstaff. How is that? What is Emma doing? You are or was a bull of that stock; I am not. They lie. Silliman got $5,000 cash, and $45,000 if the sale went through. Williams-Brydges got $25,000 All purchased reports. Now I know all this will not win. Selover is here and he wants to sell Walker property, I think, and he says if the Emma goes down they cannot make the sale. I want to know about that also. I shall fix that property if they put it on the market. Jim Selover can't beat me. No one knows I am short of these things but Emma, and say nothing. I will pay all your expenses and I want you to work sharp. I am coming out all O K, and I have 1,000 Erie Railroad stock, which I expect to see at 100 one of these days. Now, Tom, give me details about all of these things, and when they break my name will sell a mine. I will have a good prestige then. Emma now selling, $7,500,000; Flagstaff, $2,200,000; Camp Floyd, $1,400,000; Saturn worthless.

Wilson will have his head cut off. He is a scoundrel. He went there to manage the property. Wurtz, you know him. You will see a panic in these shares from Utah mines one of these days. I think they will have trouble in hauling ores down the cañon and in getting teams. Wages will raise for miners. I should not wonder if they had to pay $4 per day, and I do not think they can get them shipped readily; always delays, and the season is short. B. Williams stated that they could and would send 3,000 tons per month all summer, which is a d—n lie. I will send you his report. Second-class ore was sold for 300,000; not worth a dollar. All this for your consideration, and believe me yours sincerely,

JAMES E.

Confidential.

I will write again soon. Direct to Langham Hotel, &c.

By Mr. FAULKNER:

Q. How do you connect Johnson with this?

A. Mr. Johnson says that he was acting with Mr. Lyon, and that Mr. Lyon was a "mirror behind him." Mr. Lyon says:

It (the mine) had actually caved in; the timbers and *débris* of every kind had fallen in; the whole thing had almost completely collapsed, and it has never been repaired since. It was on the 4th of June, 1872, that the mine caved. I had my telegrams at that time every day from Salt Lake. I think it was on the 1st of June I received the first one; it was on the 17th or 18th that the first one was received by the company. They could not get telegrams from the mine or any report there, and the directors were saying that the telegrams that I published were false; that nothing of the kind had ever occurred in the mine; and they charged me in the circular with publishing sensational dispatches without any knowledge or authority. They charged that they were manufactured, and the chairman said to me that he believed that I had subsidized the cables; and when I laid the dispatches before him he said they were forged. Well, Mr. Anderson had considerable reason to believe that there was something in it that he could not explain, and I could pardon him for talking in that way. I told Mr. Anderson that Hussey, of Salt Lake, was instructed to communicate with Trenor W. Park. Hussey was the manager of the mine at that time. The shares were declining in value. Said I, "Mr. Park is now in New York, and it is very singular that you cannot get any reports." Said he, "We cannot get any; we send messages every day, but we do not get any reply." About the 17th the directors came out and confessed that my telegrams were the first information that they had received of the cav

ing of the mine, and they said, "We cannot account for our not receiving our advices." Hussey afterward explained, &c.

The following letters, written by Lyon to Mr. Almy, a friend of his in Utah, I submit to the committee as evidence:

NEW YORK, *March* 12, 1871.

DEAR TOM: Your favor was received this morning. I am writing now while you are in bed and asleep. I am here, at half past six a. m., just returned from Washington, and I have secured the services of Senator Stewart and Curtis J. Hillyer. Now I am O. K. and these boys will hear from the guns. I was well pleased with my several interviews with the Senator, and will *never quit*. All looks well. Keep me posted in every particular. I hear Ten Eyck is here and swelling as usual, and when he gets the one and a half million we shall all see. He has not gone to Europe yet, and I do not think he will. I heard Hussey and Walker are to be here to day. Look to those records and hurry them. Get John Kerr see to the express-office and stage books from July, 1868, to July, 1869.

About Smith and Day (———) to Salt Lake. What are they doing in the mines? And what is Woodman about? I am going for him when I get through.

Regards to all.

JAMES E.

NEW YORK, *March* 24, 1871.

DEAR TOM: Your very welcome letter, and a good long one, was received and perused with much pleasure. I do not think Black need keep the house for Hamilton, as it is very uncertain when he will be there. I learn from you that the judges have claims on the Silver Shield. Now, I wish you to ascertain certain if they received them from the Walker Brothers or any party in the interest of the Emma. Now give me the particulars. If I can find this to be true I will attempt to hoist them. Now do this at once, as I may not get away from here until I receive your reply to this. It takes so long to get a reply from that country. Hillyer has been here to spend a day, and Stewart will be here soon to spend a day or two with me. They are ready for the fight. Now I wish to know what the prospect is for a trial.

Will you please post me on everything of interest, and about the sale? I do not hear the sale is made, only from some person that saw Ten Eyck. Ten Eyck has studiously avoided me, and I only know he is at the Fifth Avenue Hotel. Hussey is also there, and Walker is in Brooklyn. I was about to arrest them both, but Hillyer would not allow me to do it.

Do you think they are anxious to try this suit? If so, we may be able to stipulate all around, with the judges also.

I hope to be there in two weeks, but you must write me here, for fear I may not be there. The Senate will no doubt adjourn soon; in less than a week, I think.

Say to Patrick they are trying to get him removed—one Crandall, of Gold Hill, a friend of James Day—and Day has been requested to write to Hillyer to get the influence of Stewart. This I got from Hillyer, and I told him to stick to Patrick; that he was my friend, &c.

He says Stewart and Nye will stop it; tell Matt. to telegraph his friends.

Chaffee will do all he can to prevent it. I am going home in a day or two to spend a few days, and you may soon look for me there; but write for fear I may not come.

I gave you an order on John Kerr, but as you did not use it, I will write John to pay you one hundred dollars.

Now, do all you can to ascertain about the *Silver Shield*, who put them down, and that one of them has sold out, &c.

You are at liberty to say to Cannon, the editor of the News—Deseret—that I am under many obligations to him for the editorial about the chief-justice; also tell him that the chief-justice wrote the insulting letter for the governor to President Wells about the militia. He may not know who wrote it. I know who wrote it, and it was McKean. He is a d—n rascal, and I am going for him. Now keep me posted. I can handle him and the others, also. Regards to Hempstead and Kerr.

Yours, truly,

LYON.

Write daily.

NEW YORK, *April* 2, 1871.

DEAR TOM: I suppose you will be expecting a letter from me about these days gain. I do not hear as often from you as I would like. General Baxter and Selover f this city, and one T. W. Park, of Vermont, left with Walker to take a look at e 38,000 tons ore in sight, worth net $200 per ton, and a large body of second-class e, &c., figuring up, as they say, to $11,000,000, all of which is offered here for the

miserable pittance of $1,500,000. Now, after their return the thing will be decide These men are all speculators and manipulators, and they will return in about te days or less, and then I shall know of their next movements. Davis, the Californis Shark, alias Treadwell, as Ten Eyck told me was his name, is here at the Saint Nicholas, and has kept his room ever since.

Sent for Chaffee, as Shaffer told him that he was my friend and could influence me to settle. Now he came and accomplished nothing; told Chaffee they had two of the judges and could get the jury, and had money, &c.

Chaffee told him not to underrate my means and influence that I would bring to bear in this case before it was finally disposed of against me; that if he did he would be mistaken.

He asked if one hundred thousand dollars would settle; C. told him emphatically no. Say nothing about this letter to no one; I shall have all their inside movements. Hussey only paid $55,000, and had a deed made to deceive his correspondent in New York, George Opdyke, to whom he sold one-half for $55,000. As he says, he got all his money back. You see how all this murder will out here one of these days. I have it in train, and you will see fun.

I now await the arrival of the high commissioner, and if they do not bite you will hear again that they could not raise the money, as the report was about the San Francisco parties.

The terms are, $50,000 down, $150,000 May 1, when they give possession and their notes, payable all within a year in installments. A grand scheme. Stock will sell bad if they do not settle, especially in this market, where I have some influence, at least. I have nothing more to write. I shall soon decide when I leave and will telegraph. Stewart and Hillyer are firm and sure.

With kind regards to John and Hempstead, also to Bruner, if you see him,

Yours, truly,

JAS. E. LYON.

NEW YORK, *April* 29, 1871.

DEAR TOM: Your many and very acceptable letters have been rec'd, and papers also, all of which please accept my profound thanks.

I am always glad to hear from you, and hope you will not forget to continue to keep me posted.

I will write now more frequent until I leave, and then you will know by telegraph.

Our mutual friend James is with you ere this, and I shall expect to hear from him also often during his sojourn there; and I am of the opinion that matters are looking very favorably in the way of mining. I hope Jimmy will have a good thing.

I hope you will keep up his courage and do him all the good you can.

I shall be with you one of these days.

I have an appointment with Park this eve at 8½ o'clock, and it is near nine now, and he has not put in his appearance yet.

I am trying to get him to fix a day for trial, but I fear he is not disposed to.

I seem to meet with but little courtesy at his hands, it appears, but he may come yet. He made the appointment himself, and I must await his motions.

There may be a time when I can dictate to them. I am bound to beat them on the trial, and you will see an able array of counsel then for this plaintiff and a suit well managed.

They will file the bill, and McKean must not do any mean thing, or you will see a muss. Stewart will have his rights. They are very sanguine of my case, and will work like tigers.

I would like a condensed abstract that you promised to send me from the record of the transfers.

Remember me to James and other friends.

All well, and may God bless you.

I dined with James's family to-day; all well.

NEW YORK, *May* 17, 1871.

DEAR TOM: Your very interesting letter of the 10th, inclosing the abstracts of titl of "Emma" are here, and you will please accept my thanks for the present. I hop my friends will be rewarded for kindness. I am right glad that Jimmy has such a good thing, and I wish I was there among you. I shall be there in good time, how ever, and I think any time in June is time enough for the Cottonwood, as the snow i too deep for any operations there now. Park agreed to fix the time with Hempstead on his arrival there for trial, and I have been expecting a telegram daily, and what in hell is the reason? I have never, I confess, been so annoyed, as I cannot get anythin definite from that quarter in relation to the courts. I shall look hourly for a telegram from Hempstead.

I wrote him to see Park on his arrival. Park said he would fix a day with Hemp

stead as soon as he reached that place; and he arrived there a week ago to-day, and I hear nothing. How unsatisfactory this is. Do not fail to write or telegraph me what is done. I do not know as any court will be held; and if that is the case, it will go over another term, which is not what I want; I want a trial of that case. As to Bruner, he has only 1,000 feet of the North Star. We hold 1,200 feet yet, (the prospecting co.,) and we will hold it, too. But I must keep quiet with Bruner until I get his testimony. He is a good friend of mine. We can sell a good property in Europe.

I wish you would send Johnson a paper occasionally from there. I suppose you have his address.

He writes me he will soon make a sale of two properties. His wife and boy go to Europe to-morrow. I will be on hand in good time, and will then see what can be done.

If Jimmy will go slow, he will come out all right; and he can get a good property better in July than now, as they will be better developed. I hope you will write often until you hear I have started.

With regards to John Kerr, Hempstead, and Jim,

I am, truly yours,

JAMES E. LYON.

NEW YORK, *May* 30, 1871.

DEAR TOM: I am truly very thankful that you have favored me with your letters. John Kerr and Hempstead I think are too full of business to write me. It is the damnedest meanest place for information I have ever seen or had anything to do with. I have telegraphed to Hempstead and got no answer. I sent a dispatch Monday morning, and to-day I had it duplicated, and no answer. Stewart is here, and he wanted to go to Washington this evening. I was sure I could get it by this p. m., and I accordingly telegraphed you. I am not well pleased with this, I assure you, and I am left to imagine the reason. Now, I have secured Noah Davis's services, and I intend to make a raid on the Department for the removal of that d—n scoundrel, and all I want is attention at that end. I am afraid to let Hempstead know what I am about, as he is the attorney for the judge, as you have written me. Now, of course you know I said confidential only to John Kerr, and I mean this until I get an answer from the dispatch I sent. I simply asked him to telegraph me as follows: Judge McKean interested in suit now pending in third judicial district. I shall continue to have it repeated for an answer until he utterly refuses to answer, or until I learn he is absent from home. This delay makes me swear. I will raise hell with that camp unless I have fair play. All I want is the facts; and I will now have him removed, and Strickland also. Hempstead is slower than the wrath of God, and I can get no satisfactory reason why no jury will be called until September. I wrote him we would pay the expenses, but he gives me no reason why the jury will not be called. Now write me particulars. I have Conkling, of New York, Stewart, and Noah Davis to assist me here, but do not tell a soul but John. I will have them both out, and the marshal, too, unless he goes straight; but I think Patrick is all right. I am bound to have a trial or receiver at once. Write and telegraph often.

Yours,

JAMES E.

NEW YORK, *June* 3, 1871.

DEAR ALMY: By the Great Jehovah and the Continental Congress don't know any such word as fail! Now work like a hero. The news will be about town there about one day before this reaches you, as the letter has gone to the judges from the Attorney-General saying that, if the charges are true that they are interested in mining claims, *they must resign*. Imperative you see. Now you know what you have got to do. Get up the evidence and keep still as possible. Say as little as you can. Call and see letter to John Kerr to-day. I have given him full particulars. You do not attend to my dispatches; one asking who are the attorneys of the Silver Shield Company, is not answered, or that part of it. Now I have asked for an answer to-day. Attend to every point and use the wires. Keep me advised of their movements. I fancy they will sell out; shamsale of course, but I think too late now. I have got them sure when the papers come officially and abstract. I think you could find some mining-claims or deeds on the record at Salt Lake, of Strickland, and, perhaps, McKean. I hope to God you have and forwarded them. Also, you see what I have to prove, nothing but their mining interests, so I think I have got them now, and when it is done I will do something else. Noah Davis and Senator Stewart are my principal aids and faithful workers. Follow my instructions and I will have their heads off. I can take off Patrick's head before he knows it, if I wished, but I am his friend so long as he behaves himself, and I have no complaints to make in that quarter. They will, doubtless, shift their interests, but watch the records and their movements closely. Better leave your name off the papers, as you have a personal fight with them, and will not do any good; as you have written the attorney, &c., it might not be observed, but as well to have it off.

I will have a trial or a receiver one of these days, or a settlement. We are all K. on this question, and you will see the copies of dispatches that have been go and they tell heavy. G—d d—n the villains, do they suppose I am to be trifled wi I owe that McKean, and now I am after his scalp. Send me both daily papers re larly. I may get a good point now and then. I have one where McKean steppe the bench and placed Judge Hawley on, in the suit Silver Shield Company *vs.* Ve pede, or Allen. Now send me every paper that has reference to that case. 1st. Is application for injunction [———.] I have made other points against them here, the mining interest I have made a specialty and shall make the riffle.

I want you to get a few friends there together and have a good time when the t is fixed, but work now. Send dispatches to Stewart here, unless they are for me sonally, for me as I wish to use those to him for the President, and of course they contain nothing but to the point. Private letters from several important persons, one from John W. Kerr, one from Gilman & Salisbury, one from T. F. Tracy, one f Wm. Martin, and any other ones you choose, saying these judges, naming them, interested in mining here and should be removed. Address Hon. Wm. M. Stew Saint Nicholas Hotel, my care. Don't be afraid of getting too many. Hustle *the* along. I look for papers about Wednesday that I telegraphed for. Hope they are a correct. I learned the suit of Silver Shield was settled by some one. "Patrick Ne son," he is here, the marshal's brother; how is this, but I don't care a d—n. The in terest in mines will kill them dead as hell. I would like to see the old cuss when thi is done. I have an abundance of the influence behind the throne, and good men know you will be glad to hear the news. I have given them an awful scare, and you wil see how they stand when you see John's letter. I have no more to write; it is now on o'clock p. m., Saturday night, and at the close all looks well. I received the di patch from Stewart at 8 this evening, saying that the letter from Attorney General has written, &c. So you see it will reach there about one day before. All well, an remember me to Jimmie. I hear nothing from him any more, only through his famil They are all well and I think in good spirits. Hope he is doing well. I shall be the one of these days, in good time. Regards to John, Kerr, and Bruner.

Truly your friend,

JAMES E.

NEW YORK, *June* 9, 1871.

DEAR THOMAS: I have written and telegraphed, and I can do no more than I ha done to impress on your mind the importance of the evidence to remove these judg I am satisfied it can be done with your co-operation and John Kerr's. Hempste goes back on this proceeding, very much to my surprise, and I hope his course will made to pay. I hope he will not help the "bear." Now, I have telegraphed eve important point in the minutest detail, and I also have written. You say in one your dispatches where it answers, "Send me names of attorneys engaged in McKea suit," that "names and data furnished in the morning," and not a word have I seen the subject. I have learned that several attorneys are employed, but I hear noth from you on the subject, Now, can I do anything when you do not attend promptly my inquiries? You must know I have a hard job on hand, as he stands well with President, and I knew I had a hard task, and I was very solicitous that you would all in detail that I required. I hope that you have forwarded abstracts of title their claims, and in every case you can to show their interests with Emma Mine p ties, or their attorneys, or both. I am sure these facts can be shown. Stewart Davis will do their best and surely remove them if I have the evidence I ask for. papers from the clerk of court and probate court, as to organization, are complete, have found their way to Washington, and will help to swell the title against these m I am sure to accomplish the work, and I cannot permit a failure for the want of attent I want all the facts that exist in relation to mines and claims and lawsuits. I h to leave here next week and be with you the week following, and all the papers t are not received by me will be forwarded at once to Washington by a friend of m For God's sake, don't delay, and we can punish that d——n brute that is making suc desperate effort to form a conspiracy against the Mormons. He is a God d——n so a bitch on wheels, and I owe him a severe penalty for his conduct toward me, an hope to live long enough to pay him back in his own coin.

I have no apologies to make him, only to pursue him until he says enough, and g up and gets from that place. Stewart is after him, and I am sure we shall pitch if we can get all the evidence. I now hope you have, ere this reaches you, sent papers you can, and you will see some fun.

Give my kind regards to John Kerr and Jimmy; also Hempstead.

I shall soon be with you; and, until then, believe me, your friend,

JAMES E.

NEW YORK, *October* 20, 1871.

FRIEND ALMY: I have not written, as I supposed I should hear of your arrival Salt Lake, but I learn that you are still in Central. I have no news to write, only that

t there is a prospect of a sale in Europe, and they are, for some reason, very
ıbout the matter, and I think they are afraid the California parties may make
ıble by blowing on the property; but the mine looks fine, and all is yet favor-
teep up good spirits and have faith in the final end, and all will be well. You
ever give up the ship. Old McKean is at work for fame, and he will yet get
eserts from the hands of the Mormons. I hope he will get killed; that would
e me. I am anxious to be there, but will wait the result of the European news.
ıear something as soon as I learn the result; and, in the mean time, be patient
I hope you will succeed in the sale of the Flack lode, or some other lode.
ıore confidence in the mines of Utah than I have had heretofore, and I do
y will last a year or two, but I had rather take my chances in Colorado for
I wish you would write me often and give me all the news. I do think
ıt be good opportunities in Denver for business and some in Chicago for busi-
n will, therefore, think when the undersigned is in shape, something will be
ewhere. Remember me to Judge Teller and all friends.
ıly, your friend,

JAMES E. LYON.

I am always glad to hear from you, and will write when I have any news.

ritness then produced the following telegrams from James E.

[Telegram.]

NEW YORK, *May* 30, 1871.

J. ALMY, *T. H.:*

eturn mail, articles of incorporation, official, Silver Shield Co. officers, &c., com-
lso, certificates from clerk of court with title of suit now pending in third
istrict. I will have this judge removed. Strictly confidential, except John

JAMES E. LYON,
St. Nicholas Hotel.

[Telegram.]

NEW YORK, *June* 1, 1871.

ALMY:

ou and Kerr received my dispatches? Will you attend to them? Have you
l papers?

JAMES E. LYON.

[Telegram.]

NEW YORK, *June* 1, 1871.

J. ALMY:

ıph Stewart names of attorneys retained by Silver Shield Co., and that Judge
is president. Have it signed by several persons. Answer each dispatch
y. Be cautious about communicating. Say nothing to Hempstead. He is
me in this movement.

LYON,
St. Nicholas Hotel.

[Telegram.]

NEW YORK, *June* 1, 1871.

ALMY, *Townsend House:*

ph Hon. Wm. M. Stewart, St. Nicholas Hotel, Judge McKean an incorporator
dent Silver Shield Mining Co. organized here. Said co. now in litigation,
third judicial district, held by Judge McKean. Have it signed by ten or
ıes, immediately.

JAS. E. LYON.
St. Nicholas Hotel.

[Telegram.]

NEW YORK, *June* 3, 1871.

ALMY, *T. H.:*

wires freely, and confine yourself to their interests in mines and lawsuits.
oper and others sign them. Address Stewart. I will have them removed.
ck.

JAS. E. LYON.

[Telegram.]

NEW YORK, *June* 5,

THOS. J. ALMY:

If any Emma defendants are located on any ledges with either of these judge me proof. Touch no other question but mining interest or litigation.

JAS. E. LYON,
St. Nicholas I

[Telegram.]

NEW YORK, *June* 9,

THOMAS J. ALMY, *T. H.:*

If judges are interested with any members of the bar in mines, give me abstr affidavits to that effect. Papers received; forwarded to Washington. Be vigil

LYON,
St. Nicholas E

Here is a dispatch, dated about the time of the writing of the which first read:

[Telegram.]

[Received June 1, 1

To ALMY, *St. L. C.:*

Send diagram Emma, Cincinnati, and Illinois tunnel. Write to-day. Emm nervous about title. Keep me posted—Flagstaff, Emma, Camp Floyd.

I am a bear. Confidential. Write often fully.

(Signed) LY

The witness also produced in evidence the following telegraphi patches:

[Telegram.]

[Received June 7, 1872—8.10,

To ALMY, *Salt Lake City:*

Is damage serious? Will it obstruct operations? Stock off three pounds. A Paid 20 words.

(Signed) LY

Reply paid, 20 w'ds. W. C.

[Telegram.]

JUNE 9, 1872. (Received 8 p

To ALMY, *Salt Lake City:*

Be careful and cable only facts, as it will injure me if not true. Manager directors all going well at mine. Shipped, by rail, two hundred tons last week. L mining suspended, and complete collapse, six months for repairs? Answer. T words, paid.

(Signed) LY

[Telegram.]

JUNE 11, 1872—15

To THOS. J. ALMY, *S. L. City:*

Reply to Grobecker at once.

(Signed) LY

[Telegraph.]

JUNE 14, 1

To ALMY, *S. L. C.:*

Cabled you and Dalton—one hundred pounds, each. Post me daily. Wire fre their movements. Adverse claimants can hold possession easy. They are g alarmed. Answer. Paid.

—

[Telegram.]

JUNE 16, 1

To ALMY, *Salt Lake City:*

Does Illinois tunnel intersect above or below Bruner shaft? Their advices contradictory to yours and Dalton's. What is Francisco, Emma C., doing?

eighteen. I cable you and Dalton each one hundred more to-morrow; almost a panic here, they have no mining-ground. Answer. Forty words, paid.
(Signed) LYON.

[Telegram.]

JUNE 17, 1872.

To ALMY, *S. L. C.:*

Go to the mine immediately. Cable from the spot details. What day did Emma Co. stop mining? Are all the ores at mine in possession of Illinois? Answer.
(Signed) LYON.

[Telegram.]

JUNE 20, 1872.

To ALMY, *S. L. C.:*

Emma cannot hold one hundred feet each side of patent line, as the mine they are working is all Illinois and Cincinnati. Emma have no mining-ground. What is being done? Who are the lawyers for Illinois? Answer. Forty words; paid. Telegraph daily.

[Telegraph.]

JUNE 20, 1872.

To ALMY, *St. Lake:*

Have Gov. Wood cable me Illinois Tunnel Co.; have possession of Emma Mine and ore; (they deny it there,) and Marshall and Carter also sign, if they will. Answer. Twenty words; paid.
(Signed) LYON.

[Telegram.]

JUNE 28, 1872.

To ALMY, *S. L. C.:*

Company have cable to-day saying, mine improving. How is this? And is suit commenced against Illinois? What is the situation to-day? Answer. Forty words; paid.
(Signed) LYON.

[Telegram.]

JUNE 30, 1872.

To ALMY, *S. L. C.:*

Stock advanced from twelve to twenty on reports Emma are negotiating with Illinois. Think they could sell to Emma Co. here for three hundred thousand pounds. They must have it. Advise me promptly every move. Cable freely. Important.
(Signed) LYON.

[Telegram.]

JULY 3, 1872—7.30 a. m.

To ALMY, *S. L. City:*

Stock eighteen. Will go up on compromise—down on litigation. Advise me every step of progress. Important. Twenty words; answer; paid.
(Signed) LYON.

[Telegram.]

JULY 17, 1872—10.20 a. m.

To DALTON ALMY, *S. L. City:*

Court granted injunction against Illinois Co., giving us possession of entire works. Decided that patent gives us 2,400 feet on vein whatever direction it takes, and that Illinois Tunnel Co. were on our vein. Shall recover from Illinois all damages sustained. Water in mine all gone in ten days; raising ten tons per day; will increase to sixty tons daily in thirty days. Immense body of ore in sight. Future of ore never so promising as now. Repairing cave-damage at small expense.
(Signed) PARK, STEWART, HUSSEY.

Answer quick, every point fully. Have Illinois lawyers sign answer if possible. Is Stanley there? Answer paid; eighty words.
(Signed) LYON

[Telegram.

JULY 18, 1872.

To DALTON ALMY:

What is Illinois Company doing? Is a suit pending for title? I know them too well to think they will surrender possession. Answer quick. Twenty words, paid.

LYON.

[Telegram.]

JULY 20, 1872—1.24 p. m.

DALTON ALMY:

No more trouble about title; they are completely whipped.

HUSSEY.

If true I am misled. What you mean about title September? Who are plaintiffs? Do Illinois abandon claim for title? What is being done in courts? Important; cable fully. Forty words, paid.

LYON.

[Telegram.]

JULY 21, 1872.

DALTON ALMY, *S. L. City:*

Is suit for title commenced? Is Emma in possession Illinois tunnel? Answer. Twenty words, paid.

LYON.

JULY 21, 1872.

LYON, *London:*

Suit not yet brought. Tunnel not surrendered; only body-ore in dispute. Francisco, Emma, Illinois consolidated.

DALTON ALMY.

[Telegram.]

JULY 25, 1872.

To DALTON ALMY, *S. L. City:*

Have Illinois telegraph Slaughter, secretary Stock Exchange, London, as follows: "Understanding Emma Company allege they are in full possession of Illinois Company's works. We contradict that statement as being wholly unfounded. Trial for title takes place in September." Answer. Paid, forty words.

LYON.

SLAUGHTER, *Secretary Stock-Exchange, London:*

Understanding Emma Company allege they are in full possession Illinois Company's works, we contradict that statement as being wholly unfounded. Trial for title takes place in September.

CHISHOLM, *President,*
CHADWICK, *Secretary,*
JOSLYN, *Attorney,*
Illinois Company.

By Mr. HAMILTO :

Q. What was the state of the mine at the time the dispatch of June 9, 1872, was sent?

A. There had been a little cave in the mine, but it did not cause any material injury, I believe. I do not know at what time it had occurred.

By Mr. HEWITT:

Q. Had not the cave taken place on the 6th of June?

A. I do not know; but the committee will observe the suggestion that it is going to take "six months for repairs."

; not possible that Mr. Lyon had had a dispatch from some-
the mine had caved in and that it would take six months, and
ıen telegraphed back, in substance, "Give me the exact facts,
; will hurt me. Is it six months, and has it caved?"
ERNEY. Each one of us can draw his own inference.
se telegrams will speak for themselves.
ITNESS. In my testimony on the first day I come down in the
to the fact of having made these arrangements to buy Mr.
and had also stated, with regard to my going to New York
ng the contract and telegraphing back, that he had paid the
I left there on the 25th of November. On Mr. Park's return-
e United States I met him, I think, about June 22d, in New
. At that time I had had no account from Mr. Park of what
done, no account of what sales had been made, or anything
ıd. I came over and was busy in Congress, and paid no atten-
ın whatever, and left it entirely with Mr. Park. I met him in
k, and he told me, the first thing, that he desired me to go
to Salt Lake and assist in prosecuting lawsuits against the
ompany for the Emma Company. He said that, although the
d not come within his guarantee, as he had guaranteed only
isting lawsuits, still it had come so immediately upon it that
mself bound to attend to that law business without charging
to the company, and he wanted me to do the same. I told
well; that I was willing to do anything that was right in the
He said to me, "In addition to the $150,000 which you gave
on, I have paid him $50,000 more, and here is the receipt,"
which I produce to the committee.
ıs in June, 1872. I had not had any communication with him.
consulted with him, but the first time I met Mr. Park in New
er leaving London, the first thing he told me was, "I have
Lyon—in addition to the $150,000 which you have agreed to
you and to be taken out of your interest, $50,000 more." When
before the committee, Mr. Park can explain the circumstances
ich he paid that. I said, "Then, Mr. Park, how am I to come
s transaction?"
MILTON. This money was paid to you by Mr. Lyon?
ITNESS. Paid to me by Mr. Lyon. That was paid in London;
brought to me that receipt from Mr. Lyon to me.
WITT. How did he happen to pay $50,000? You had bought
terest for $150,000?
ITNESS. Mr. Park can explain that better than I can when he
the stand. Up to that time I had received a little money here—
r $15,000; I do not recollect the exact amount. There had
ttle money advanced to my wife over there. Up to the time
Park returned I had probably got $20,000 or $30,000 alto-
ıp to the time Mr. Park returned in June when he presented
his receipt, and said that he had paid to Lyon the additional
ınd said, "Here is your receipt for you." Said I, "Mr. Park,
that leave me? The company here agreed that they would
for the settlement of this claim 5,000 shares, and I assigned it
ou for 50 per cent., and that makes $200,000. Now, $200,000
paid to Mr. Lyon, and that would be less than our original
ıs to be divided between Mr. Hillyer and myself."
stated all the agreements there had been and all the conver-
p to this time between Mr. Park and myself. He said,
ou go to Utah and help this thing through, and you will come

out better than you think you could." He said, "Did not I suggest to you that I would see that this thing was right if you would take the chances and leave it to me?" Said I, "You did; but here, these 5,000 shares, only netting $250,000, leaves me, after the expense to which I have been, in a bad situation." He seemed to watch me, and rather to enjoy it to see how I would take it. Said he, "You get ready and go out to Utah." Said I, "I promised, when you came to a settlement, to pay some money to Mr. Hillyer; he did one-half of the work up to the time I went over to England, and I wanted to get some money for him." Said Mr. Park, "How much money do you want for him?" "Well," said I, "I want one-half of this Lyon business for him." He said again, "How much do you want?" I told him that I had held out the idea to Mr. Hillyer all the time that we would net $100,000 out of the Lyon contract, and we had paid Lyon $150,000 and that there was $100,000 to divide. Said I, "That is the expectation Mr. Hillyer has about this thing; he is expecting about $50,000." "Well," said he, "You shall pay Hillyer $50,000; I will give you a check for $50,000, and you can send it to Mr. Hillyer; that is fair, and about what he is entitled to; but," said he, "you must leave your case to me." He drew the check for $50,000, and I sent it to Mr. Hillyer. I think he drew it in one check or in two, I am not certain which.

This $50,000 was paid over to Hillyer. I do not know but that I had let Mr. Hillyer have a few dollars, but at any rate he made it up to $50,000. Mr. Hillyer said it was satisfactory, but that his brother, M. C. Hillyer, had helped out there. Lyon had employed him to try to trace this lode out on the surface, and we had promised him that we would do something for him. Mr. Hillyer, therefore, wanted me to do something for his brother. I did not do it that time, but afterward I paid $5,000 for his brother. Mr. Park then said to me, "Now, I am going to have you make a good thing out of this, better than you think." Well, I had no other way to do; but I told him that, of course, I had left the whole matter with him, and that whatever he did and had done I was going to sanction, no matter what it was. He said to me, "I am going to have you put some of this away. I am going to buy some bonds for Mrs. Stewart." He went and bought some Canada Southern bonds and some Utah Southern bonds, I think $50,000 worth of each; and we then went out to Salt Lake. At Salt Lake I got some money from him, I do not recollect how much, but the thing was left in an unsettled way. Nothing more was said. We went there and went to work, each one paying his own expenses. I spent nearly the whole year there. After we had been there some time, he and Mr. Hussey proposed to me to go in with them and buy some Emma stock. They sent an order to purchase some Emma stock. I do not now recollect how much my share would come to.

Mr. SPRINGER. Give the date of that, please.

The WITNESS. This must have been about the 1st of July, 1872. I think it was at or about the time the injunction motion was pending—when we were there on that injunction suit; so they sent an order, and I asked them how much they had bought. I do not recollect how much it was, but it was a certain amount of money. I figured this up and said, "Is that my part to pay?" I do not recollect the exact amount. It was some $10,000 or $15,000 or $20,000, I think. He said, "Yes." "Who is going to pay it?" said I. "Well," said he, "I will advance the money." Said I, "You are advancing pretty liberally; how much money have you got belonging to me." Said he, "How much do you say?" *Well," said I,* "if you will give me a check for the amount," whatever

it was, $10,000 or $15,000 or $20,000, "with the bonds you bought for Mrs. Stewart, and the other moneys you have let me have from time to time, I will be satisfied." Said he, "That will satisfy me," and he drew a couple of checks. I have been trying to figure up the amount that came to me during all this matter. Although I have not the data, yet as near as I can get at it, the amount which was paid in Utah and invested in these bonds, and what I got from time to time, during the time we were out there altogether, and including the amount which was paid Hillyer and his brother, it is about $280,000, or in that neighborhood; between $270,000 and $290,000, I think.

By Mr. BARNUM:

Q. Is that estimating the bonds at par?—A. I do not recollect what he paid for them.

Q. I mean in your figuring.—A. It would put the amount up to $290,000, or about that, to estimate the bonds at their par value.

By Mr. SPRINGER:

Q. What was the market-value of those Canada Southern bonds?—A. They were pretty well up at that time.

Mr. HEWITT. They were placed originally at 90?

The WITNESS. I cannot give the details myself; but it came in in that way.

By Mr. SPRINGER:

Q. The Utah Central bonds; how were they?—A. They were first-rate bonds. The Canada Southern at that time was supposed to be first rate.

Mr. HEWITT. These, then, were nearly at par?

The WITNESS. It left me in the neighborhood of $225,000 or $230,000 in all; but, as a part consideration of that, I was to stand by and help to do that work. I spent the whole of the next year on it. I was out in Utah five times. Mr. Park said, "Although I did not guarantee against a future suit, still this is running right into the same body of ore, and a part of these people are vendors, and it is such an outrage that I feel bound to stand by, and I want you to stand by right through." So I stood by, and made no charge at all, and the only compensation I got was what I got in the settlement with Park. I had no legal claim against Mr. Park, except his general statement that he would do the fair thing by me, and that he settled on the basis that I would sign the contract with reference to the 5,000 shares. That was the only legal claim I had against him. That would have made just $100,000 for Mr. Hewitt and myself. If he had come back and settled on that basis and paid no more to Lyon, I should have been satisfied with that settlement and never said a word; although I would have thought then that he ought to have done the fair thing by me if the thing came out right. When he came and told me that he had paid this to Lyon, as I had agreed to leave the matter entirely to him, I did so; and he never gave me any account of what he did with anything. I have given the conversation that he and I had on the subject.

By Mr. SPRINGER:

Q. Does the $230,000 include the $55,000 which was paid to Hillyer?—A. No.

Q. You got that amount net yourself?—A. It was somewhere in that neighborhood; it was from $225,000 to $230,000 that I got altogether for working this matter. I heard nothing from Mr. Lyon

after I left him in London, on the 25th day of November, 1872, except this report from Mr. Park, that I have spoken of. There was no communication between Mr. Lyon and myself. I heard nothing about it at all except that he was bearing the stock over there, and all those things, but I had no communication with him. It appears from Lyon's testimony that he got back to this country some time in 1874; in the fall, I think. After he came back here the suit was brought in the name of the Emma Silver-Mining Company against Baxter, Park, and myself, to recover the purchase-money of this mine—$500,000,000. There was considerable excitement over that, and I received the following telegram from Mr. Lyon on the 22d of February, 1875, while I was in my seat in the Senate:

NEW YORK, *February* 22, 1875.

HON. WM. M. STEWART:

It is important that we should have an interview. Will come over if agreeable. Answer.

J. E. LYON.

After I received that, and within two minutes, another boy came to me with a dispatch from Mr. Chittenden, my attorney, stating that they had given notice of the taking of Mr. Lyon's testimony. That being the case, I sent Lyon this dispatch, and kept a copy:

JAS. E. LYON,
St. Nicholas Hotel, New York:

Your dispatch received. If you have business with me I will see you, but I am very much occupied until after the 4th of March.

WM. M. STEWART.

FEBRUARY 22, 1875.

I should not have kept any copy, I should have sent a dispatch in answer to it without taking a copy, if I had not received Mr. Chittenden's dispatch at the time. This was about the close of the session. On Saturday night when the Senate adjourned, I went over to New York to see Mr. Chittenden, my attorney. I did not like the looks of Lyon's dispatch coming at such a time. I did not know what it meant. He was summoned as a witness against me, and without giving any notice, I had received his telegram. The deposition was not taken on the following Monday, but for some reason was put off for some time. I then received a letter from Mr. Lyon which I will read:

ST. NICHOLAS HOTEL,
New York, February 28, 1875.

HON. WM. M. STEWART:

DEAR SIR: It has no doubt been apparent to your mind for a long time that I am not satisfied with the adjustment of my claim against the Emma Mine Co., of New York, and Utah parties; or, in other words, that I am not satisfied with the course you pursued toward me as my attorney.

I do believe that in all my relations and intercourse with you that you have found me honest and truthful.

I have in every instance endeavored to act conscientiously toward you, and with a liberal spirit, trusting and confiding in your honesty and integrity to the fullest extent. And I am sure you will not forget when you gave me such an excellent character to Mr. Park in London, before you left for America.

I can assure you that I am, in every respect, as good a man as I was then, and as deserving of your confidence and respect.

You will surely not forget one conversation we had before you left for Europe, when I told you the mine was almost worked out, and advised you to have no connection with the sale whatever; that all you had to do was to protest to any sale, unless they paid us $500,000, which you promised me you would do.

I advised you not to identify yourself with the sale, because I thought there was a fraud, and you agreed with me, and two other parties were present on that occasion. I acted in good faith toward you, and wished to protect you from any connection with it. You promised me faithfully that the property should not be sold unless I was paid the

500,000, the sum agreed on between you and me, in Salt Lake, when I withdrew my rotest.

You allowed the property to be sold without any reference to depositing one-third ith Seligman & Co., by stating that the shares one-half were tied up with Albert rant for nine months, and that five thousand shares had to be re-purchased to sustain e mine until settlement-day, &c., all apparently to embarrass me in any settlement.

Mr. Park told me that he tried to buy you, or, in other words, to induce you to throw e in my claim, and offered you $50,000, but that you refused the money, as I might d it out, and it would ruin you, and many other things he told me.

Mr. Davis says Mr. Park agreed to give you 3 per cent. on the gross sale if you ould go to Europe with him, &c., before you signed the contract stipulation for a tlement with me, and 2,000 shares of the stock. I am sure you will not think strange me when I say that I am satisfied, after knowing the above facts, and reading your ters which I have. Now, Mr. Stewart, I think that in your conscience you must scover that I have been wronged in this matter, and I telegraphed you that I thought important we should have an interview, and I still believe it will be for our mual interests, and I think I can be of some service to you in several matters in which u have an interest. I shall be moderate in my demands, and I do believe you will ve them due consideration. I thought, from the tenor of your dispatch, "that if I d business, &c.," that you did not care particularly to see me.

I will come over as soon as you are disengaged after the 4th, if you will write me reply to this.

Hoping that we may have an amicable arrangement of our matters,

I am, truly yours,

JAMES E. LYON.

Now mark the date: this is dated February 28, 1875, and I had arted from him on November 25, 1871. This was the first time he ever otified me that he was dissatisfied.

I was not in Salt Lake when the protest was withdrawn. That was ithdrawn by him and Mr. Hillyer while I was in New York, and he ad this contract before him when he withdrew his own protest.

I did not reply to this letter, and I then received the following letter om him:

ST. NICHOLAS HOTEL,
New York, March 5, 1875.

on. W. M. STEWART:

DEAR SIR: I have no reply to my letter or telegram. I now conclude you do not tend to recognize my demand, which is near $200,000. You will recollect you btained from Messrs. Walker Bros., Hussey, Chisolm, and others, their signatures to contract selling their stock at $50 per share, and you know the representations you ade to them. Now, I could have materially aided you in the settlement with them you had met me in an amicable spirit and adjusted my demand. Now, in the first lace, you told me that Park was not to be trusted; that he would steal the records of e court, and swear to a lie, and hire my witnesses to run away, and that I must not lk with him alone. I told you that Park said you was no lawyer, but that you ould buy judges, juries, and witnesses. Now, after the conversation in Salt Lake you ld me we should have the $500,000, or not withdraw the protest. When you sent e the copy of agreement the 5th August, as per your letter, I telegraphed you not to ettle on such terms, but when I arrived, August 20, I found that you had executed he said contract the 18th August, when you knew I was to be here in two days. You romised me faithfully that you would not permit the sale to take place unless got the $500,000, and that was the reason you had the clause put in the contract that the mine was not to be sold unless by mutual consent of you and Park. ow, in your letters that I have, when I arrived in London, you ask Park what e would give me to settle. Not anything, he said, as he did not wish to purchase it, nd had no money. You consented to the sale on such terms that you had nothing to eposit with Seligman, as you said the expenses were one million or over, and that fter deducting $1,500,000, over one million, nothing would be left to deposit or divide n the one-eighth if I chose to take it, and as for the unsold stock you told me it was ed up with Grant for nine months. I asked you what that stock was worth nine onths ahead. You said, not much, perhaps, but it might be sold then as the dividends ould be paid. I asked you how you could get along with the Englishmen that winter s there was no one in the mine. You said you had or could tell them there was o use mining in the winter, as the snow was too deep to haul, &c. Now, I could ell you much more, but all this is enough to refresh your memory that I have een unfairly dealt with, and that you sold me out, and you and Park divided. ou was working in the interest of Park from the beginning, at least after leaving

Salt Lake, and I can see that you undertook to work in the interest of the California parties there. I treated you fairly and squarely all the way through, and you have sold me out as I now can see, and I do not care for your receipts obtained through fraud and misrepresentation. I intend to have my pay, and you may as well think so now as later. I shall not allow you to escape me under all these circumstances. The house you have built and furnished is with my money, and you know it. Look at the contract, and see what kind of a document that is compared to the statement you made on the Emma mine while we were visiting it, that if you did not sustain my claim for one-third you would not ever try another law-suit. You always told me that my claim was good. Now, Mr. Stewart, you know that I tell the truth, and I can find men that know many things as well. I shall give a brief statement to the New York papers to-day, and with your letters and the contract, you will be able to see how the matter appears to you. I shall commence a suit for my claim at the earliest opportunity. You will find you have injured the wrong man.

Truly, yours,

JAMES E. LYON.

I paid no attention to that, and a few days afterward he went upon the stand and gave an exceedingly long deposition occupying a great space of time.

By Mr. SPRINGER:

Q. In what case was that deposition taken?—A. In the case of the Emma Company *vs.* Park, Baxter, and myself, which I have previously mentioned.

Q. Where was that action pending?—A. In New York.

Q. What was the claim?—A. $5,000,000, the purchase-money of this mine.

Q. The Emma Mining Company of London?—A. The Emma Mining Company of London sued us for $5,000,000 for the recovery of the purchase-money of this mine. After Mr. Lyon came back the suit had been brought, and, as I said, with that suit pending I received this first dispatch from him.

Q. That suit is still pending in New York and London, is it not?—A. It has been transferred to the United States court. It is still pending; yes, sir.

Q. Have you been in New York since the suit was brought?—A. Yes, sir; several times.

Q. Have you testified in the case?—A. No, I have not.

Q. Have you been served with process?—A. I have not.

Q. Has your appearance been entered in the suit?—A. No, sir.

Mr. SPRINGER. Then you are not a party to this suit now?

The WITNESS. I addressed a letter to my attorney to authorize him to appear for me immediately without any service, but he did not do it. I do not think of anything more that I wish to state. If the committee desire to ask me any questions they may do so.

By Mr. HEWITT:

Q. In regard to the issue of the patent for the Emma Mine after the withdrawal of the protest of Mr. Lyon, did you procure the issue of that patent?—A. No, I did not personally. We got the patent.

Q. Who attended to the details of it?—A. Mr. Hillyer attended to most of the details. I did not attend to them personally.

Q. Did that patent cover the Emma Mine in the direction of the lode?—A. Yes. I am glad you have asked me that question. The patent was for the lode; and under the law of 1866, which existed until the passage of the law of 1872, they got a patent for so many feet on the lode, and they were authorized to follow the lode. It came up in this way: In early times in California, in locating quartz veins, they located so many feet on the lode. If the lode were under ground, and they could not tell where it was, they could not stake it. They started

out without giving themselves any surface ground. I was at the first quartz meeting that was had in California, in 1851, I think it was. We were entirely inexperienced in that matter, and we passed a code of laws whereby the miners should take so many feet along the lode, with all its dips, spurs, and angles, to any depth—follow it along on its dip. In carrying that into practical operation, it often happened that a party would locate so many feet on a lode running northerly, but, come to develop the lode, it would run in a different direction. That involved litigation in early times in California, and the courts of California held that the lode itself was the thing located. They took so many feet on the lode, and when the thing was developed, and they knew which way it would run, they could follow the lode, although it might not run in the direction indicated. That is to say, if it was "a thousand feet north," and it really ran northwest, still they could follow the lode. By the act of Congress of 1866 these rules and regulations were indorsed, and a provision made for obtaining a patent for the lode according to these rules and regulations; and the California courts held that the act of 1866 was merely permissive for parties to get patents—not to change their rights. There was a great prejudice against patents. The main object of that act was secured in the first section, which provided for confirming the possessory right. The balance of the act was a rather imperfect machinery for getting title; and it was not very material to anybody whether they did get title after they got the first; but they were permitted to obtain a patent for the lode, and they might follow down upon it, although it should enter on the land of another; that they could follow down on the dip, if following the lode.

This application for the Emma Mine patent was under the law of 1866; the patent was for the lode, and that was one of the questions which arose on the argument of that case before Judge McKean. Of course, after getting a patent, when they came practically to work they would not follow the patent lines exactly. The Department here required that there should be some surface and something marked to indicate what the patent was for; but the lode being undeveloped, it turned out that it left the surface ground covered with a patent. The law of 1866 naturally required sufficient surface for the convenient working of the mine, and this patent for the surface did not amount to anything; it was a patent for the lode, and the marking of the surface was an immaterial thing. But the Department did not know how to sell a piece of land without having some surface to go with it, and so they would have a survey marking out a surface; but still the patent was the lode according to the rulings of the courts, which were well established and recognized.

This, therefore, was a patent for the lode. The Emma patent did not follow, and it would be impossible to get one which did follow, the lode until the lode was developed. The lode is under ground. A lode enters into a hill, for instance, and there are different depressions in it; and as you follow the lode you may find it very crooked; although the first course of the lode might be straight, yet the difference in the altitude might make a good deal of difference. Of course a patent in which there is no ground allowed except for surface purposes, and that narrow, could not cover a lode of that kind. And in this case the question arose whether they were confined to the surface of the ground. This is an absurdity, because it is not a patent for the surface of the ground but a patent for the lode. It was a most absurd question for them to raise. The surface ground was given only for the convenient working of the lode, and the patent was for so many feet of the lode.

We argued the case before Judge McKean, and produced before him the California authorities and proved the usages; and of course he held that we could follow the lode. That, however, was not at first the point in the Illinois case. What they first claimed was that this was another lode; but there was a bed of ore running right straight along through, and as easily traced as the surface of this table almost.

By Mr. HEWITT:

Q. What I want to arrive at is this: What direction did the lode take as a whole?—A. The direction of the lode is a westerly and southwesterly one.

Q. Does the description of the patent follow a northwesterly and southwesterly direction?—A. The description of the patent does not follow the lode very well.

Q. But is it not across the lode the other way? Was not the patent taken out for an easterly and westerly direction?—A. The survey contained in the patent was not an artistic one for the surface; but that did not make any difference.

Q. But the patent, I understand you, was obtained in great haste, and it was very necessary to get it, as you have already testified?—A. Yes.

Q. Was not the patent which you took a patent which did not follow the direction of the lode?—A. No; it was a patent for the lode. The surface-ground did not cover the lode distinctly.

Q. I understand; but there had to be a description of the surface ground, and that did not follow the lode?—A. No.

Q. It took another direction?—A. No, not another direction; substantially the same direction. On the north end it bowed down. I should not have surveyed it in that way if I had been making the survey for it.

Q. Wasn't it necessary to take it in that way in consequence of the claims of these other patents?—A. There were no other patents there.

Q. There were no other patents, but there were claims for other patents, weren't there—in the Illinois tunnel, for instance?—A. O no; they did not conflict with the Illinois tunnel. There were the same difficulties in the Emma that there were in the Illinois tunnel. The Emma and the Illinois tunnel were the same thing.

Q. But the Bruner; was not that another thing?—A. It might have conflicted with the Bruner. I had nothing to do with making the application for the patent. I did not even see the patent until after it was obtained.

Q. But your partner took it out?—A. He took it out according to the survey. He had to take it out, as the notice had been given and the application stood; it was necessary for him to do it.

Q. Was it got with great expedition?—A. It was.

Q. And out of its order?—A. I do not know that it was got out of its order; there were very few cases here at that time. The patents were granted very quickly.

Q. Have you any knowledge whether any money was paid to secure that patent?—A. None that I have ever heard of.

Q. None was ever reported to you?—A. None in the world. I never heard of any.

By Mr. SPRINGER:

Q. Mr. Hillyer personally applied for the patent, and you did not do so?—A. He got up the papers out there.

Did you appear here in the Department?—A. No.
Who did?—A. I think Judge Poland came over to the Depart-
I am not certain; either Mr. Hillyer or Judge Poland.
Were you in this city when the patent was obtained?—A. I don't
whether I was in this city or New York. I think I was in New

)id you go to the Patent-Office and ask any officer there to issue
ıtent, or did you write any letter to the Patent-Office asking them
e it?—A. Might have written a letter; I do not recollect whether
ır not. I was in a hurry to get the patent.
)id you go to the Office and ask any Government officer to issue
ıtent?—A. I do not recollect that I did.
)id you meet any Government officer or clerk, or the Commis-
of the Land-Office, or any of his subordinates, and ask him or
o facilitate the issuance of this patent?—A. I do not recollect
it. I might have gone to the Land-Office and told them that we
l it. If I were interested in it, I should be very free to do that,
rhaps I did do it; but I do not recollect.
)o you know whether you did go into the Department and get
. I do not know whether I did or not. I would have done so if
ıad been any delay about it, and it had been necessary. I do not
ct that there was any delay or difficulty about it.
Tou do not remember, then, who did apply for the patent?—A.
llyer had the thing principally in charge.

By Mr. PACKER:

Iow long after the filing of the application was it that the patent
ıued?—A. The filing of the application in Salt Lake?
Tes.—A. O, it was about a year.

By Mr. HEWITT:

)o you mean that it was a year after the patent was applied for
-A. O, no. It was got out here in a few days from the time the
ıtion was filed.

By Mr. SPRINGER:

Iow many days do you say it was after it was filed in Washing-
A. I do not know.
)ne week?—A. Not more than a week, I should think.

By Mr. PACKER:

Iefore what was filed? The withdrawal of the protest?—A. No;
ıtest was withdrawn in Salt Lake, you know; and the final sur-
ıs sent up, all objections being removed.

By Mr. HEWITT:

n regard to your interview with Coates and Hankey, on your ar-
ı London, or in any conversation with Mr. Coates or Mr. Hankey,
ıe name of Baron Grant mentioned?—A. Previous to the intro-
n?
'revious to the introduction.—A. Never.
And I understand you that when you saw Baron Grant he ex-
l surprise, as if to indicate entire ignorance of this thing?—A.
l.
As if it were an entirely new subject to him?—A. He appeared
ay to me.

Q. How long was it after this apparent surprise that he took Mr. Park aside and talked to him privately?—A. That is the way the embarrassment was removed, or the misunderstanding. Park got into a controversy with Coates about what he meant by treating him in that way, and was talking excitedly to Coates, and then Grant said, "Mr. Park, let me speak to you," and took him aside and had a little conversation. I think Park told me what it was in substance. I do not recollect it now, but it was to the effect that Coates could not carry the matter out and there was no use talking to him—had not got money enough to carry out what he had promised.

Q. How soon after that did you begin to discuss with Baron Grant the sale of the mine?—A. There were a few minutes of general talk that day, I suppose; we talked in a general way. It was more of an introductory matter than anything else. We talked, I suppose, fifteen or twenty minutes.

Q. What was the result of the conversation?—A. That we should meet him at dinner.

Q. He invited you to dinner, and then you discussed it further?—A. Yes, sir.

Q. How long after your first interview with Baron Grant was it that the bargain with him was substantially arrived at—not the written contract, but the bargain, the conclusion that you would make a contract?—A. I think about a week.

Q. And during that time Baron Grant never discussed with you the question who should be the directors?—A. O, he said they were going to get the very best people in England and all that kind of thing. O, I don't know. He might have named some of the men he was going to get. He was going to get first-class men.

Q. Did he suggest the name of General Schenck at all?—A. I did not hear it. I do not think he did. He might have suggested it to Mr. Park. I have no recollection of his suggesting it.

Q. You say you arrived at a bargain in about one week; when were the papers signed with him—the actual agreement that he was to take up the concern and float it?—A. I do not recollect that date. I will have to look at the agreement to get the date.

Q. But was the agreement drawn very soon after the time when you arrived at an understanding? Was it done immediately, or was it delayed some time?—A. Well, they got up the agreement pretty quick. Negotiations were going on to get at an agreement to see whether it could be done or not. They culminated in the agreement.

Q. Can you tell whether the report of Professor Silliman had arrived in London before you took up this negotiation with Baron Grant or afterward?—A. Before.

Q. It arrived before?—A. Yes, sir.

Q. Let me read to you from the statement of Baron Grant. After reciting his interview and conversation with you and Mr. Coates, he says: "In due course, a report, bearing date the 16th of October, 1871, arrived, giving in great detail the history of the mine," &c.—meaning the Silliman report. His statement is that it arrived after he had had all this conversation with you.—A. That is what we had this disagreement about with Coates, because he was to take it when the report came. The report was there before we had an interview with Grant.

Q. He says that in an early interview with you "he gave as his references Jay Cooke, McCulloch & Co., of London, bankers, and also General Schenck, the American minister."

The WITNESS. Who gave references?

Mr. HEWITT. He says: "It is proper to mention here that, at an early interview with Mr. Park, he gave as his references Messrs. Jay Cooke, McCulloch & Co., of London, bankers, who had been his financial agents for the mine, and General Schenck, the American minister." Do you know anything about that?—A. Mr. Park? I know nothing about that. He might have said that he knew them; I do not know. I did not hear anything about his references.

Q. You did not hear any reference to General Schenck during any of these negotiations or interviews prior to the completion of the contract?—A. Not with reference to becoming a director.

Q. Well, in any other respect?—A. I do not remember whether his name was mentioned in the course of the conversation. It was not mentioned in connection with any business matter, and I do not remember his name being mentioned at all. I would not want to swear that at dinner we did not speak of the American minister or any other person. Of course, I know we did not talk in regard to business about the American minister.

Q. Had you met General Schenck anywhere prior to this completion of the contract with Baron Grant?—A. O, yes.

Q. And had you had any conversation with him, prior to that time, in regard to the object for which you had come to London?—A. O, yes.

Q. You had explained to him why you had come?—A. Yes.

Q. Had you discussed with him the propriety of taking any interest in this mine prior to this contract?—A. O, yes.

Q. You had discussed that prior to the contract with Baron Grant?—A. O, yes; it was not a question of propriety. I say that while the negotiations were pending with Coates & Hankey, we first had a meeting with General Schenck. He spoke about wanting an interest in this thing—that he would like it in case it were put on the market; and, as I related yesterday, I told Mr. Park about it, and that led to various interviews, and Mr. Park had promised to do it in case this stock were brought out on the market.

Q. Did General Schenck, in conversation with him, say that he had money to put into it?—A. He said to me that he would like to buy some if he had money.

Q. He did not say he had money?—A. Said he, "If I had the money I would like some of that stock. But," said he, "I do not know whether I ought to buy stock; I always have lost every time I have gone in—it has always gone against me; but I believe I would try it if I had some money." I didn't make any particular reply to him, except that I thought it was a good thing. And then I told Mr. Park that he ought to let Schenck have some of that stock on such terms that he could make some money. It was a very common thing where I had been to carry a little stock for a friend. One takes no risk in doing it, and gives his friend the advantage of it. I suggested to Park that he would make some with him and let him have some. I did not think it was a matter of great consequence. Park said he would like to do something for Schenck in that way, if he could, because he liked Schenck; that it was true he had not been acquainted with him long, but that he had known about him all his life, and that Solomon Foote called *him* Bob Schenck. Said he, "I like him very much." And this led to a conversation between them afterward which I did not hear, and which resulted in Schenck's getting an interest. And I heard that he had such interest before we ever thought of his being a director; I talked with him about his interest *in it.*

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on between them afterward which I did not hear, and which
ı Schenck's getting an interest. And I heard that he had
est before we ever thought of his being a director; I talked
ıbout his interest *in it.*

Q. But you did not converse with Baron Grant in regard to Gen Schenck's taking an interest and becoming a director?—A. Exce might have had conversation after it had been determined upon General Schenck was to be one. I state the facts as I recollect tl I do not know whether or not Baron Grant says there that I menti General Schenck's name to him, or that it was done in my presenc state the facts as I recollect them and as they undoubtedly are.

Q. Baron Grant in his statement says distinctly that all this stated to him before he concluded to take up the concern.—A. O, r

Q. After you had taken the assignment from Mr. Lyon of his int and come back to New York in order to negotiate a purchase of interest in the shares of the New York Emma Mining Company you represent to these gentlemen the necessity of giving Mr. Ly handsome interest in order to get rid of his lien?—A. I do not kno I made any special representation about that. They knew about Lyon contract. They knew all about it when we settled. They di want him to take the option to put it up and have a lawsuit. T wanted no lawsuit.

Q. Did you explain to them that you were there as the agent of Park to make the purchase?—A. Yes. I told them I was authorize Park. I believe I signed as agent for Park.

Q. In the negotiations with them you held yourself out to be the a of Mr. Park for making that purchase?—A. I said I was authorize agree for him, and that he would stay over there and do certain thi and I signed the agreement on his part. I held myself out as so aut ized to the extent represented in the agreement.

Q. You had a power of attorney to sign for Mr. Park?—A. I thin

Q. Did you explain to them that you were yourself the owner of Lyon's interest?—A. I do not know that I said anything about tha them. I did not know that they had any business with that.

Q. I only ask you whether you represented to them that you the owner of Mr. Lyon's interest, and whether, in selling out Mr. Pa interest, you disclosed to them the fact that in the division this inte was to come to you?—A. I do not think I did. I told them that would fix it. Certainly after giving my note and taking the respo bility I wanted to fix it in such a shape that I would be likely to even.

Q. Now with regard to Mr. Hillyer's being at Salt Lake City in J 1871. I do not know whether since yesterday you have refreshed memory on that subject or not, but you testified then that he was t and made an argument in June, 1871.—A. No, I beg your pardon; I not testify to that.

Q. You did not testify to it yesterday?—A. He was there. I t he got out there in June, but I am not certain about that; he was out t twice; he was there and made an argument on the 15th of July, remember right.

Q. Yesterday there was quite a discussion on the subject of his b there in June, 1871.—A. He was there before he made his argument

Q. I understand you to say that you had no distinct arrangement Mr. Park at any time as to what your interest in this thing should that it was left entirely to his discretion.—A. Left to his discretion cept there was this in writing, you know. Lyon's contract was assi to me; I gave my note for $150,000, and then in settling this I ag to let him have all above 50 per cent., so that it would leave the 5 shares that I got of those parties. By the way it stood on the pa

r and myself would be entitled to $100,000. I thought that
l sum; although Park said he would do the fair thing.
ı did he say he would do the fair thing; before or after the
f Lyon's interest?—A. It was after the purchase of Lyon's
[had offered him, before he did it, to get Lyon out of it.
ark, if you will advance this money for Lyon I will give you
ıy interest." I felt very badly. Mr. Lyon came over there;
working for him, and doing the best I could for him, and Mr.
ed money immediately. I suggested we could put up this
for, and he wanted money immediately. I told him I had
:o buy him out. I would have been very glad to have got
Mr. Hillyer and myself, and got away then, on account of
r. Lyon felt. I would have given up everything to satisfy
hat time I thought a great deal of Lyon, and had seen noth-
n, up to that time, but what was square; he was my client
been working for him.
t compensation did Mr. Park agree to give you for coming to
to make this purchase of the New York Emma Mining Com-
s?—A. He said that he would do the fair thing by me if I
he would give me a percentage; would do the fair thing by
he, "You go and get the other parties to agree how much
llow for this Lyon claim; whatever they allow will be satis-
ne; and I will give you out of the thing such a commission
that it will be a fair thing."
you did expect to get something more from Mr. Park than
st in the Lyon claim?—A. Not definitely, no; I did not have
e expectations. But when I got to New York and got them
it, I thought he ought, in consideration of taking the chances,
thing more.
there any understanding in your mind, after you became the
Lyon's claim, that you would sooner or later receive a sum
ld be equivalent to Mr. Lyon's original interest, or what it
ıed to be worth? You say that originally you supposed—and
ters you state the same supposition—that you or he would
)0 at least, but you subsequently thought that he would not.
any understanding between you and Mr. Park that, in the
ment of this thing, you should take Lyon's interest and take
ıe was to have?—A. When I took that assignment of Lyon's
had no conception of making more than came out of the
was going to elect to take it. I had no conception of mak-
ɔre than Lyon's interest when I took it. Then I thought his
ɔuld amount to $300,000; but I advised Lyon to keep it.
ıpears by your final statement, that the amount actually
ɔr Mr. Lyon's interest you put as follows: from two hundred
y-five to two hundred and thirty thousand dollars which you
:om these bonds, considering them as at par; $55,000 more
Messrs. Hillyer; and $200,000 received by Mr. Lyon, making a
85,000. Then, as you say, you received ten or fifteen thou-
rs more. If it were $15,000, the total amount would be
ealized upon Mr. Lyon's claim. Is it a mere accident that
sum which Mr. Lyon was originally to receive?—A. There
ount that he was originally to receive.
ır letters to him you stated that he would not get less than
·ou thought. There seems to have been all through the cor-
:e an expectation that Mr. Lyon would get about $500,000,

until finally, when you got to London, you wrote to him that thin were not as good as you expected, and that he would not get so muc and to come over, &c. Now, it appears that, in your final settleme with Mr. Park, according to the testimony you have now given, the su paid was, as near as may be, $500,000. I ask you whether at any tin you had any understanding with Mr. Park by which that amount w practically coming to you?—A. Never in my life—not the slightest; n such understanding. Every particle of the understanding I had I tol to Mr. Lyon faithfully as it was. The contract on its face was the con tract which we made. This interest of Lyon's was one-eighth, after de ducting $1,500,000. Then, in order to make $500,000, it would have bee necessary for it to have been sold for $5,500,000. The property wa only stocked for $5,000,000. There is a half million off. Baron Gran got one-half million of the stock. That leaves $4,500,000. Then ther were other expenses. Taking out the $1,500,000, that would leav $3,000,000. One-eighth of that would have been $375,000, and if ther had been no other expense than the payment to be made to Baro Grant, and the stock had sold at par, it would have amounted t $375,000. At the time Lyon was there there were all these contingen expenses which Lyon wanted to avoid.

Q. Can you give me the date of this conversation with Mr. Lyo which ended in your purchasing his interest?—A. I left on the 25th November; this was a day or two before I left.

Q. It was about the 23d of November?—A. Probably about that tim

Q. Were you there when the subscription-day for the stock closed —A. It had closed then, I think.

Q. Did you know the state of the subscription at that time?—A. knew there was a large subscription.

Q. Did you not know that very much more stock was applied for tha was offered?—A. Yes.

Q. Had you any doubt that that subscription was going to be all pa in?—A. I thought it would be all paid in.

Q. Here were two millions stock offered to the public, and the su scriptions very largely exceeding the amount, and yet you stated to hi that it was very doubtful whether there would be a million and a ha dollars paid in on settlement-day. Can there be any doubt th $2,500,000 were offered to the public?—A. It was paid in long aft this.

Q. I know; but you knew it had been applied for and had not be allotted?—A. It had not been allotted.

Q. According to the statement which you made in your direct exa ination, you represented to him that you had grave doubts as to wheth even a million and a half would be paid in. Here were two millio and a half and a large quantity of surplus stock subscribed for, a this stock was selling in the market at a premium on that day. Y could not have any doubts, therefore, that $2,500,000 would be paid i could you?—A. I had faith that they would get it in; yes.

Q. Was there the slightest reason to doubt it?—A. I thought would be paid in.

Q. Did you not, in your direct testimony, say that you had gra doubts whether even a million and a half had been paid in?—A. No, did not intend to say that; I intended to say this: that I doubte whether, on settlement-day, there would be a million and a half t Park's credit which he would be in condition to pay over.

Q. Why wouldn't it all be to his credit as the vendor?—A. Ther was $500,000 of it which had to go to Grant..

Q. He was to have £100,000 out of the very first money that was paid in?—A. Yes; that reduced it to two millions. Then there were various commissions demanded. Then, I think, there was this suggestion that Grant made, which always annoyed me, that he might have to sustain the stock.

Q. Did he agree to sustain the stock?—A. He did agree to sustain the stock.

Q. Did you agree to help him sustain the stock?—A. The contract will show what the agreement was.

Q. But if he was to do it, it could not come out of any other money than that which was paid in? You and Mr. Park together appear to have represented to Mr. Lyon that there was to be more money used for sustaining the stock, and that that was one reason why he should take a less amount; why he could not get so much, in other words?—A. No; do not assume that. It was only a discussion between him and me as to what to do; whether to litigate or to take the chances of getting this money. That was the discussion. It was not with reference to my taking his interest, because I had no idea at this time of buying him out.

Q. You mean to say that in this conversation with him there was a question whether he should go on with his lawsuit?—A. As to what he would do. I brought him there for that express purpose; not to buy him out, but for the purpose of electing whether we should have this deposit put up or whether we should go in for one-eighth.

Q. The interview in which you had that conversation, and in which you had not the slightest idea of buying him out, resulted in your agreeing to buy him out?—A. O, no, not that interview; no, it was several days after.

By Mr. PACKER:

Q. How were these subscriptions payable?—A. They were paid into a bank by installments, running from two to three months.

By Mr. HEWITT:

Q. In Mr. Lyon's testimony he says:

We were then probably two or three hours in conversation. It was quite late when I left to go away to my own hotel, but, before going, I made a proposition to close up my claim at $250,000. Stewart came to the Langham Hotel the next morning, and said he could close it up by giving me $200,000, and, when he took one-fourth out of it, that would leave me $150,000; and that he would pay me $150,000 in United States currency, and then that he should go to New York and try to get the control of the balance of the stock. Mr. Stewart and myself, after some little talk, came to that agreement, and I went down to the house of Mr. Park, who was sick in bed.

So that it was not at that interview, but it was the next morning. You then went back to Mr. Park's and drew the contract?—A. No. When Mr. Lyon first came there I told him all I knew about this business at the first interview, and I told him substantially of this Grant contract. I told him that the vendors' shares were to be held back; that they had agreed to hold them back for nine months before they put them on the market. I told him of Grant's commission. I told him of those other claims that I have mentioned, which were to come out. I told him that this half which had been subscribed for had been put on the market, and that more than one-half was subscribed for. I told him that settlement-day had not come; that I did not know how much money had really been paid in, or whether or not there would be any for

division on settlement-day; that Grant's commission, and what other necessary charges there were, would have to be taken out of the proceeds of stock, also, and this $1,500,000; and that whether there would be any other money there on settlement-day I could not tell, but that the price of the shares was payable in installments. I told him how this thing would ultimately be, as near as I could, and I advised him to stay there with Mr. Park and close this business up. He made me no offer at all at that time. Said he, "I don't like to stay with Mr. Park. Mr. Park will swindle me." I told him that he had the advantage of Mr. Park; that he had a contract which required him to put up one-third until he made his election—until he decided to do the other thing; that it required him to deposit one-third of this; that no money had been taken by me or Mr. Park; that it was all there yet; that the sale had been made for such a price and with these commissions, and that what I had got him there for was to determine what to do. He said he did not like to stay with Mr. Park, and wanted me to get Park to buy him out. He had asked me to buy him out, but I had said, "Lyon, you know I have not got any money to buy you out." He then said, "Then you get Mr. Park to do it," and we went to Mr. Park and asked him to do it, but he declined to make any offer. After that Mr. Lyon told me that for his part of the claim he would take $150,000 cash; that is, $200,000 for the whole thing, my quarter coming out. I advised him not to do it. I went to Mr. Park and told him what Lyon had said. Said I, "Now, Mr. Park, if you will do this, I will give you any interest you say in what will be coming to me, because I want to please Lyon in some way. He appears very much dissatisfied at not having his money now. He wants some money now, and he is afraid of you, he says, and wants me to stay." I think the first reason Park assigned why he did not want to buy anything was, that after one-half was closed up he was going back to the United States, on account of a lawsuit he had with Vanderbilt, as I have already stated. After I had told Mr. Park that I would give him half the interest, or my part of what was coming out of it for me, if he would advance the money, he then said to me that if the owners on the other side would make it an object for him to stay, and a contract could be made with them, he would advance the money to buy Lyon out. He gave me an idea as to what he wanted done. I did not have much faith in accomplishing that; but Mr. Lyon came, and I then commenced to draw up an option on Lyon's interest, to take out if I telegraphed from New York. It was rather lengthy in the drawing of it, and Park said, "That is not the best way to do it. Take a simple assignment of Lyon's interest to you; you give me your note for $150,000." It was suggested that it could be deposited *in escrow* somewhere, and I think Mr. Lyon suggested that it could be put in a box there. They were drawn up; Mr. Lyon signed the assignment and I signed the note, and they were put in together, contingent upon this arrangement being consummated at New York. Mr. Park then stated what he was willing to do with these parties in New York, and drew up a skeleton of the contract right there, and told me then, "If this contract is signed, and I stay here, and this thing comes out right, I will make you some money." Those were about the words he used.

Well, I went over to New York. I got the contract, but in order to put it in a little more definite shape, so that I would know what it would be, when I agreed that he should have one-half of it and I got it fixed, said he, "You go to the other side and fix what amount they will allow

for the Lyon claim. Whatever they allow will be satisfactory to me." Said he, "You fix with them and see what they will allow for the Lyon claim, and divide up their interest, because it will be necessary to determine how many shares each shall have." So when they had fixed it at 5,000 shares, I signed the contract, which gave me $250,000—$100,000 above what Lyon was to receive—and then there was so much of it in definite shape. That is all there was about it.

Q Mr. Park was the agent upon the other side, of the vendors who ere in New York, was he not?—A. Yes, sir.

Q. You were his agent in New York cognizant of the sale that had een made on the other side?—A. Yes.

Q. Did you communicate to these gentlemen before you had bought eir stock the fact that the stock had all been sold on the other side at 20 a share?—A. That it had all been sold at £20 a share?

Q. That half was put out, and the other half reserved, and that the ock was at a premium?—A. O, yes; they knew all about that. They nderstood that the stock had been subscribed for; that had been pub- c. I did not have much communication with them. They consulted mong themselves. I told them what I thought would be satisfactory Mr. Park for them to do, and they accepted it much more readily an I expected.

Q. Did you communicate to Mr. Lyon before you left the nature of e service you proposed to do for Mr. Park in New York?—A. Noth- g was concealed from him at all. This occurred after we had made e arrangement. The contract was contingent upon my making an rangement; and Mr. Park said if I would make an arrangement which ould be satisfactory to him and make it an object for him to stay, then e would advance the money—and that he said in Mr. Lyon's presence.

Q. Did Mr. Lyon know what that arrangement was?—A. I do not now that he knew what the details of the arrangement were.

Q. You did not communicate them to him?—A. I do not know as I d. I did not know the arrangement then.

Q. Then you bought out Mr. Lyon's interest without knowing?—A. o; I did not buy it out at all.

Q. You took an option on it?—A. Said he, "If you will carry out an rangement that will be satisfactory to me, so that I can stay here, in at event I will pay Lyon this money." He said that to Lyon and me. ever had had any talk about this arrangement previous to that. He id, "If you will do that, I will pay Lyon this money." Lyon said, ll right." Then I commenced to draw an option on Lyon for it; to ve there with Park. As I said, Park thought we had better have an solute bill of sale. I did not at that time know what arrangement s to be carried out, and had no idea of it more than Mr. Lyon had. Park made that suggestion when Lyon was present.

Q. In the event of your not having succeeded in New York, you uld have been remitted to your original condition as Mr. Lyon's nsel?—A. Exactly.

Q. You were a purchaser in this interval in case you made a bargain; in case you did not make a bargain, you went back to the condition ounsel for Mr. Lyon, and he (Lyon) was free to go on with the law- ?—A. Yes; if I did not make the arrangement for Mr. Park to , nothing was to be effected. Mr. Lyon was there with his contract nding to his own business.

. In the estimate you gave to Mr. Lyon was any allowance made for premium on gold? Five million dollars at that time, I suppose,

would have been really nearly six million dollars in currency.—A. No we did not make estimates of that kind.

Q. It was not so very close; at ten per cent. it would be just the sum you named; it would be $5,500,000. That changes the value.—A. There was very little difference; there was not that much difference between the English pound and American currency.

Q. With gold at 14, a pound sterling is worth about $5.61.

The WITNESS. Was gold up to 14 at that time?

Mr. HEWITT. It was, in that year; I do not know whether it was at the time you were there.

The WITNESS. O, no, gold was not so high as that.

Q. What year was it?—A. In 1871.

Mr. HEWITT. I was in London at that time. It varied from 12 to 15, I think. I only ask whether that was taken into account in any way?

The WITNESS. No; we were just discussing the probability, whether we had better go on with the law-suit, or take this. It had not got down to an accounting. The only object in giving him information at the time was in order that he could take hold of the business.

Q. Did anybody ever call your attention to the fact that Albert Grant's name did not appear in the prospectus? Did you remark the fact yourself?—A. I saw that it did not appear.

Q. Did it cause any remark in your own mind, or did you ever converse with anybody on that subject?—A. Well, they said that was usual; that the operators did not generally appear on the prospectuses.

Q. It did not excite any suspicion in your mind that you were dealing with a man whose name was purposely kept out of sight?—A. They said it was usual for operators to keep still about what they were doing. They said that was the rule among stock-operators.

Q. Did you, as a matter of fact, know that Albert Grant was a disreputable man at that time?—A. No, sir.

Q. Did you learn it at any time during the negotiations?—A. No, sir; no further than that he was a sharp operator. I consulted Mr. Puleston, and he said he was a very reputable man; a man good for his contracts; that he carried them out as an operator.

Q. And you did not mention to General Schenck, in your conversation with him, as I understand, that Albert Grant had any connection with this operation?—A. O, I won't say that we never mentioned his name; I am not certain about that. I say I have no recollection that we did. I presume likely his name may have been mentioned. We were not keeping anything secret from him. All the directors knew it when the thing became consummated. I thought you meant in the preliminary conversations.

Q. Did you tell him at any time prior to the consummation, that Albert Grant was to have £100,000 compensation for floating it? In other words, when you or Mr. Park sold him (Schenck) the stock, was he apprised of the fact?—A. O, no; not at the time Mr. Park agreed to let him have the stock in the first place; that was before the original contract with Grant was made. He had agreed to let him have some stock while negotiating with Coates & Hankey, but finally, when they put it in shape, when, as I understood, they made it definite as to the amount, the contract had then been made with Grant.

Q. That is the statement of Baron Grant; but that is not the statement of General Schenck himself. General Schenck's statement of it is this: "The first knowledge I had of the mine was in the latter part o

er, 1871." You remember that you stated that previous to your ict, during your negotiations with Coates & Hankey, the proposi- ad been made to let him have stock.—A. It had been talked about.

HEWITT. Now we will take this statement:

irst knowledge I had of the mine was in the latter part of October, 1871. I n at a hotel in London, where I was making a call upon a friend of mine, two in gentlemen, the honorable Mr. Stewart, United States Senator for Nevada, iom I had been acqu: inted for several years, and Mr. T. W. Park, to whom I ere introduced by my friend, the honorable W. Evarts, of New York, the gen- upon whom I had called. Within a few days after this, and after some social irse, these gentlemen told me of the occasion of their visit to England, of had before no knowledge. It was to sell, they said, or to organize a company purchase and working of the Emma mining property, the ownership of which, itle to which, they held or represented. I listened with interest to the account ve me of the situation and great value of the mine. It was in a place, they lled the Little Cottonwood Cañon, of Utah; and, upon hearing that, I recalled that some time in the year previous, happening to be in the office of the Com- er of the General Land-Office, in Washington, I had heard from the Commis- nention of discoveries that had been made of wonderful rich deposits of silver locality, of which he, at the same time, exhibited to me some specimens. I ver been myself so far west as Utah; and I am sorry to say that I never yet en in that part of the country, nor ever, I suppose, within fifteen hundred or nsand miles of this mine. Messrs. Stewart and Park developed and explained d carefully to me the supposed immense value and profitable character of this ', a value founded not only upon what it could produce, but upon what it had oducing. They proposed to me that a company should be formed, and that the ould be sold, and that I should take shares in it.

; was the extreme latter part of October, or he fixes it as near day of November. Your interview with Coates & Hankey was at time in October?—A. Mr. Silliman's report got there the think.

t appears by the testimony here that it arrived on the 16th.— ll, then we went on with Coates & Hankey. I suppose we worked with them for several days after the arrival of that report before it to Grant; probably a week or ten days.

Grant says that you came to him before the 16th of October.— is mistaken about the date.

His statement is that—

ptember, 1871, Messrs. Coates & Hankey, a highly respectable firm of London okers, members of the London Stock Exchange, of 24 Gresham street, whom nown for many years, called upon me to know if I would entertain the busi- introducing a mine known as the Emma Mine to the English market.

any weeks previously, statements had from time to time appeared in the news- giving accounts of the wonderful quantity of silver-ore that was being taken carried by railway, to the extent of actual train-loads; and, in so far as these s could be credited, the Emma Mine was one of unprecedented richness and

seen these accounts, but notwithstanding that fact, I told Mr. Coates, who hat I was not disposed to enter into the business. He left, but came again on hree subsequent occasions with a large amount of detailed information, show- t the mine had yielded, what its present position was considered to be, and great success which the formation of a company for working it might reason- expected to insure.

ed a second, and I believe a third time. On, however, being pressed again ourth time, and it being then made clear to me that this was not an ordinary min- erty, I inquired more minutely into the matter, and especially into the posi- the persons who were in England with the object of selling the property.

d one, Mr. T. W. Park, to be a member of the American bar and a leading n in New York, the president of the National Bank, Vermont, while the other Hon. William M. Stewart, also a lawyer and a member of the American Senate da, the leading mining State of America.

all took place prior to the report of Professor Silliman, which he

(Grant) says arrived on the 16th of October.—A. Then it appears that he and Coates & Hankey had been together before that.

Q. They had been together apparently before that, and that is the reason that I ask these questions, as to this extraordinary scene which took place, at which you all seemed to be perfect strangers, you having never heard of him, or he of you, and in which Mr. Coates was put in this embarrassing condition.—A. No, do not understand me that he and Coates were not acquainted. They *were* acquainted; but he was entirely unacquainted with any proposition to pay money. That is the way the confusion arose. He and Coates were acquainted with each other, and Coates introduced us to him, but he was entirely unacquainted with any contract with Mr. Coates to pay money.

Q. It seems, then, that he had discussed with General Schenck the propriety of taking stock prior to your arriving at any understanding with Baron Grant.—A. We talked about the mine. There was something said at that dinner with Evarts, whenever it was.

Q. It is testified by General Schenck that that was the latter part of October.—A. General Schenck may have made a mistake in dates; it is very possible for anybody to do so. Whenever that dinner was we talked about the mine first; nothing was said about purchasing it; but a day or two after that I had some further talk with him, and General Schenck made the remarks which I have stated; and that is the way it commenced.

I want to be perfectly frank with you, and I therefore say that the point of these questions is this, that Baron Grant testified that he did not take this up till General Schenck's name was proposed to him as one of the directors. Now you have testified that you had been speaking to General Schenck about it before you made arrangements with Baron Grant. That statement that you conversed with General Schenck is consistent with the statement of Baron Grant. General Schenck himself testifies that he never had any conversation on the subject of the mine until the latter part of October, which would seem to contradict the statement of yourself and Baron Grant. I wanted to see if I could reconcile those statements as to dates.—A. I do not know. He refers to that dinner. He can fix that date. I do not think there will be any discrepancy when he comes to have his attention called to it. I recollect that that was the time when the mine was first spoken of in the presence of General Schenck.

Q. With respect to your final arrangement with Mr. Park, you had had various negotiations with Mr. Lyon, you had been his counsel, you became the purchaser of his interest, and you had a contingent interest—an option—which finally became a purchase in full. When Mr. Park came back to New York, as it appears by your direct testimony, he produced for you what is apparently a release in full, absolutely, for all claims of every name and nature in this suit, or anything else, of Mr. Lyon against you. You are relieved, therefore, from any claim of Mr. Lyon. He, also, before he settled with you, according to your statement, arranged for a sum which Mr. Hillyer was to have. That ended Mr. Hillyer's claim upon this mine, which was $50,000. Then the balance of it all belonged to you, free and clear, with no obligations to Mr. Lyon or to Mr. Hillyer. And then you, as you say, left it to him, out of his—I can hardly say good nature or free will, but out of his grace—and you received from him $225,000 or $230,000?—A. Not out of that Lyon interest, because it was not the understanding that that amount should come out of the Lyon interest on the option

But he said to me, "You know I told you that if you got that contract I would make some money out of it, and if I made some money out of it, I would do a good thing for you;" that is, out of the contract that these people had signed; and consequently he was not going to hold me to a settlement of the Lyon interest on the basis that I had arranged with him. "But," said he, "I am as good as my word; I am going to see that you have a good thing." After he first kept me on the rough side of it for a while, and had got me pretty uneasy, then he referred to this conversation.

Q. You felt that you had a joint interest in it?—A. I felt that I ought to have some interest in it.

Q. What reason did he give you for the payment of the $50,000 to Mr. Lyon?—A. He did not give a reason satisfactory to me, in the first place.

Q. Did you have any reason given you by him why he paid this extra $50,000?—A. Well, he did state a reason which was unsatisfactory to me.

Q. Will you give the reason?—A. He said that Mr. Lyon was the worst man that he had ever seen; that immediately after I had left, and Lyon had got his money, he had undertaken to bear the stock in every way, had circulated all sorts of reports, and that he sold short and lost his money; that having lost his money he then became desperate, and told Park that he was used up, and he was going to bring a suit there in London and tie up the stock and keep Mr. Park there. Mr. Park told me that Lyon said that I was his attorney, and that I did not tell him all the facts; that he had found them all out now, and he was going to bring a suit and tie this property all up unless he (Park) made another settlement with him, and that Mr. Lyon was going to bring a suit against me, charging me with all sorts of fraud. Mr. Park said that it would be an unpleasant matter for me to have a suit brought against me by a client; he said that he had consulted Mr. Phelps, and one or two other American gentlemen about the matter; that I was in the Senate, and to have a suit brought against me over there, charging me with fraud, would, he thought, be very unpleasant to me, and he did not want the trouble of a suit himself; that he was confident that Mr. Lyon and Mr. Johnson, who, as he understood, was making it up with Lyon, would bring this suit, and create a great scandal, and that it would be expensive as well as unpleasant for me to come over there and litigate the matter in England.

Q. How could he bring a suit against you in England when you were in this country?—A. He could bring a suit against Mr. Park, and join me as a party. I might have let it go by default, but he was going to sue Park, and join me, and could name me as a defendant in the suit.

Q. But he could name all the world as defendant in a lawsuit, and it could not affect you in any earthly way?—A. O, but the stock might be tied up.

Q. Had you any stock in your own name?—A. It was in Mr. Park's hands; the whole of the money and everything.

Q. But had you any stock in your name that could have been attached?—A. He would have got an injunction against Park.

Q. Was there any stock standing on the books of the Emma Mining Company in your name?—A I do not think there was anything more than the qualifying shares for a director; they may have put some shares in my name for that purpose. I do not know anything about it.

Q. In what way could any suit against you in England, where they could not get service, and where there was no property to attach, have

given any trouble to you?—A. I had not received any money; Mr. Pa had it all.

Q. Had you an interest in this money which Mr. Park then had?—. I thought I had something coming; I had got nothing yet. There w some interest somewhere.

Q. Mr. Park's object, then, was evidently to get himself or you out trouble, when he paid the $50,000?—A. As I said, it was not satisfacto to me at all. I did not like it that he paid it. But you asked me wh explanation he gave.

Q. Is it not left in this attitude: That he and you having a joi interest, as you have stated, although not particularly defined, a suit threatened by the party from whom you derive your interest, again Mr. Park and against you, and thereupon he (Park) pays $50,000 order to get a release in full from all claims? Does it not assume exact that attitude, and is not that the explanation which Mr. Park ga when he brought you back a receipt, saying, "Now, Mr. Stewart, y are relieved from all claims?"—A. If you will let me tell the words Mr. Park, I will tell them.

Q. O, yes.—A. Mr. Park said that Mr. Lyon had made all the threats; that he thought it would be an unpleasant thing to have a b filed there against him, making me a party, and charging me with ha ing defrauded my client, and that it was a very unpleasant thing fo lawyer to be charged in that way, as every member of the professi knows; that he consulted Mr. Phelps about me; that I was in the Se ate, and that they were making a political matter of this, and the was no chance for a man to get justice and a hearing. Mr. Schen had been connected with it; it was in the newspapers, which we making a great deal of sensation about it, and he thought it would l rather unpleasant for me to have a suit brought against him there, a of course there would be some expense about it, and he thought y had better stand the blackmail.

Q. It was blackmail, then?—A. Yes, it was.

Q. And Mr. Park paid blackmail?—A. You may call it whatever y please.

Q. You called it so; I did not.—A. Well, I told him when I can that I wouldn't have stood it. Said I, "Mr. Park, I wouldn't have pa a cent for this thing." Those were the first words we had. "Now said I, "here, what am I to get out of this thing? I had $100,0 definitely fixed, when I signed this, to go back to you, and you ha given $50,000 to Mr. Lyon." Said I, "What is to come to me?" "Wel says he, "if you say you won't stand it, I will take it myself and sett with you on your contract in that way."

Q. What did you say to that?—A. Well, to tell you the truth, I w a little cautious as to what I said. Said I, "I do not say I won't sta anything you have done, Mr. Park. I have left all this thing with yo and I won't say I am not going to stand it; but I tell you I want know how I am coming out." And then he said to me, "Don't y know that I said to you that if this contract was made with those p ties, and I made any money out of the interest so acquired, I wou give you a percentage, or I would consider your claims and give y something on that?" Said he, "Don't you recollect that I said that you?" Said I, "Yes; but when I got to New York the others fixed at 5,000 shares, and I agreed with the balance to take fifty per ce of that." "Very well," said he, "it don't matter about that agreeme I made money on the others that I bought." "Well," said I, "h much is coming to me?" Said he, "That I cannot tell." Said I,

want to know to-day; I want to give some money to Mr. Hillyer." That is the way it was.

Q. Did he ever name three per cent. as the commission which you were to receive on the New York purchase? Was any percentage named to you?—A. He named a commission.

Q. Can you tell us what the commission was?—A. I cannot. No; I don't recollect what it was.

Mr. HEWITT. The reason I ask that is, that I find that a commission of three per cent. on four million dollars of stock actually sold would amount to $120,000, and then that two thousand shares of stock, which it has been alleged were, in one transaction or the other, to be given to you, would amount to $200,000 more, making a total, in round numbers, of $300,000; and then the $200,000 paid to Lyon, added, would again give a total of $500,000.

The WITNESS. There never were any 2,000 shares of stock named in any transaction in connection with anything. That is utterly false.

Q. Not as to these 5,000 shares? You were not to have 2,000 of these?—A. There was not a word about that; never. No mention was ever made of 2,000 shares; I never was connected with such a transaction at all.

Q. Then it amounts to this, that the $50,000 was paid to Mr. Lyon because he proposed to make trouble and bring suits, and finally Mr. Park gave him $50,000 as a sum to get rid of him, and took a receipt in full, and that ended the business?—A. Yes.

Q. In other words, Lyon levied $50,000 blackmail, as you say, and Mr. Park paid it?—A. Yes, or whatever you may call it. I wouldn't have settled it at all.

Q. Was it not the feeling which Park left upon your mind that that was a settling up to get rid of the affair, to bury the dead, and that in the end you would be liberally dealt with?—A. I thought he would do the fair thing, and he did do the fair thing. But, then, I don't want you to draw the inference that what he did grew out of any calculation on Lyon's interest, because it did not. There was no calculation in figures at all in what he gave me from time to time.

Q. Had you an understanding with him at any time prior to the assignment of this Lyon interest that you were to be fairly dealt with, and to make a good thing out of it?—A. Never.

Q. Then did it not come out of the Lyon interest, the fact that this arrangement was made?—A. That brings me just where I want to say that the first time that I ever had any conversation with Mr. Park as to when he would do the fair thing by me was after my interest ceased to be for Lyon. When we went over there I was looking out for Lyon's interest. I would not have felt it incompatible with it to have taken an additional interest and an additional commission of Park, or anything else to carry it on; but I was looking out exclusively for Lyon's interest up to the time when Lyon assigned his interest to me, up to the time the contingent stipulation was made. Then, after Mr. Lyon left, Park said to me, "If this thing is fixed up and carried out, I will see that you make some money out of it if I stay here and work it through." That was after he had made the contract, and never up to that time were there any such relations. The day before I left, and after the contract had been made, Park, or Baxter, or some of them, spoke about giving me a percentage if I would stay and help make the sale. I told them I didn't want any such arrangement as that, because I could not stay through, and didn't care to arrange for anything except what I had on hand; that I could

not carry out an arrangement of that kind. But they proposed and it would have been perfectly legitimate and consistent with Lyo interest; but I declined it only for the reason that I could not make arrangement to stay through. But after this contingent arrangeme had been made with Lyon, and when Park wanted me to go and g this contract, was the time that he said he would do the fair thing l me if that were secured. I had nothing but Mr. Park's word, but I ha the utmost faith in him; still, you know, human nature is huma nature: and so, when I got over here, I thought I would close it o paper, so that I would have something to show, and I got them to agr to five thousand shares, and I consented that he should take fifty p cent. of it; that is, that it should net him fifty per cent. I do not thin that if he had settled on that basis I would have spent another year the service of the company after that. I know very well that a goc deal of the liberality was induced by my subsequent labors in gettir out there and helping him make the fight, and standing by.

Q. Would you not have felt some obligation to these gentlemen, whom you had sold the mine on the other side, you being one of t vendors and one of the directors?—A. Yes; and I did feel some ob gation, and I paid my own board bills.

Q. I find in the prospectus of the Emma Mining Company the follo ing language:

Present vendors join the board.—T. W. Park, esq., president of the National Ba North Bennington, Vt., and the Hon. William M. Stewart, United States Senator, b largely interested in the mine, have consented to become directors, and so afford company the opportunity of using their large experience in mining generally, l especially with the working of this mine.

In your direct testimony you said, I think, that you had never be in the mine?—A. I never had been in the mine.

Q. You were one of the directors named in this prospectus, and, the fore, responsible for it. What did that mean? Why did you ever all this statement to go out that you were familiar with the working of t mine?

The WITNESS. The working of it?

Mr. HEWITT. Yes; here is the language: "both largely interested the mine," &c., [reading the passage again.]

A. O, yes; that is a little technical. I had not been in the mi and I did not think that a familiarity with what had been done in t mine would be material. I did not think that my knowledge of worki a mine would be very valuable to the company. If they had follow my direction, the company would not have been in the fix in whicl now is.

Q. This is the prospectus issued in advance, and I only want to kn whether you thought then that you were sufficiently familiar with work of that mine to justify this statement to the British public A. I do not know. I had a general familiarity with the history of t mine; but I had not examined the particular underground working. did not think that it was important. The idea to be conveyed was, tl we had some mining experience and would be useful as directors.

Q. It speaks of your "large experience in mining generally, but es cially with the working of this mine."—A. Those men got up the pr pectus. I did not observe it particularly.

Q. Here is another thing in the prospectus:

In the allotment of the shares a proper consideration will be given to persons desire to pay up their shares in full on the allotment for this amount.

The directors, however, reserve to themselves the largest amount of liberty in selection of allottees, and of the number of shares to be allotted to each person, t desire being to place the shares in the hands of *bona-fide* investors.

Of course, when we see the contract between you and Mr. Park and Baron Grant, we can better judge of its provisions; but you have already said that there was a provision there by which stock was to be kept up in the Park pool, or whatever you may call it, prior to the allotment.—A. I do not say it is in the contract. I have that impression, however.

Q. I suppose it is in the contract. That is the usual way Baron Grant makes his contracts.—A. It has been years since I saw the contract.

Q. How did you reconcile this with an arrangement by which this stock was to be kept up in the market prior to the allotment; that is to say, an arrangement made to give to it a fictitious value?—A. Well, there is no doubt but what that arrangement to put it into the hands of *bona-fide* investors——

Q. I don't suppose there would be much doubt about it; but how is it consistent with an arrangement by which it was to be kept up above the allotting price, in order to induce these people to come in?—A. I did not understand that that arrangement was for any such purpose as to induce people to come in.

Q. Why, you say that if they did not make such an arrangement the bears would jump on it—to use your own language—and depress it, and then it would not be subscribed for?—A. O, after the subscription?

Q. No; this is prior to the subscription; this is the prospectus.—A. Yes, I see; but it was after the subscriptions were all in. It had to stand then until settlement-day; and after men had gone in *bona fide*, they say they break up a great many enterprises.

Q. But they would have to lose their installments paid in on subscription, and that installment was two pounds, which is one-tenth or 10 per cent. of the whole thing?—A. They say that a good many legitimate operations are driven out of the market. I may not have got the right statement; I did not pay much attention to this thing; I did not think much about it at the time. But I have understood that they drive legitimate operations out of the market after they get the subscriptions in. I have described the method adopted for that purpose heretofore.

Q. If Baron Grant had come into possession of a lot of these shares, buying them in for the purpose of keeping up the stock, you would have considered him a *bona-fide* investor?—A. He would not have come into possession of any of these shares.

Q. No, no; listen: There are $2,500,000 of stock to be allotted to the public. Now what is done prior to the allotment is this: to purchase at the rates of the market, some man goes in and subscribes and the stock is kept at a premium. Now, suppose that Baron Grant, in purchasing the shares in open market, had found himself with five or ten thousand shares on hand, would you have considered him a *bona-fide* investor?—A. No; I should not.

Q. When you made a bargain with Baron Grant, was that consistent with this statement that the stock was to be given to *bona-fide* investors?—A. I think that if a thing of that kind had occurred the money would have been given back. The men they had in there would never have allotted it. There never was greater particularity in the world. I was present at the allotment, and they would not allot at all except to *bona-fide* purchasers. If it turned out when they came to make their allotments that Grant had it——

Q. Would Baron Grant have been considered so disreputable that they would not have given him his shares?—A. If there had been a scheme to buy them in——

Q. Was this agreement between you and Park and Baron Grant pı lished?—A. No.

Q. The subscribers did not know of it?—A. No.

Q. If Baron Grant had come in, having purchased pending this terval of subscription, they would not have allotted it to him. Is t the answer you make?—A. They would not. Why, they would h said it was a game. In this very allotment there were several brok who had bought, and who came in for large amounts, and the stock w distributed. They refused to let them have it. They were about twi subscribed for. I know how this was done, because I went there mys when they were allotting. Mr. Anderson was a very high-toned man.

Q. On what principle would they not have allotted it to Baron Gra if he appeared there with his subscriptions and £2 installment per shar On what principle would he have been excluded? Why, in other word was he not as good as any other subscriber?—A. If the promoters—

Q. But it was carefully concealed that he was a promoter, as y yourself testify?—A. The directors knew that he was a promoter.

Q. Then everybody interested—that is, the directors and the ve dors—knew that he was a promoter; but it was carefully conceal from the public?—A. The directors knew it, but the public do not ge erally know who promoters are.

Q. And of this very money that was to be paid in by these *bona-f* subscribers, £100,000 was to go into his pocket?—A. No. He was pay all the expenses and put this thing on the market.

Q. And yet, if he had appeared as a subscriber on the day of t allotment, he would not have received the shares?—A. If he had go to buying in the shares in that way, no.

Q. I want to know on what principle. Why?—A. Why, if he h bought it in to bull it up, it would not have been a legitimate thing.

Q. Was it legitimate then to make a contract with him to bull it u That is what I want to get at.

Mr. FAULKNER. Would not his purchase have been for the benefit the company of which he was a promoter?

A. That was against the rules. A respectable board could not be duced to allot the shares to the promoters by a fictitious arrangement

By Mr. FAULKNER:

Q. No; but if he, in pursuance of that contract, had purchased th shares, would he or not have held them for the benefit of the c pany on whose behalf he was acting as promoter, and would they, or ı have issued those shares to him, under any such purchase?—A. I had bought them in?

Q. If he had bought them in as promoter of the enterprise under authority given to bull the stock, would they have recognized hin an actual *bona-fide* subscriber, or would they have considered him holding it as a trustee for the benefit of the company?—A. It wo have destroyed the company if he had come into that board under s circumstances. Everybody would have resigned. If he had bou them up, and come into that board with them, knowing that he the promoter, every gentleman then connected with it would have signed.

By Mr. HEWITT:

Q. Did the directors know that he was a promoter?—A. T directors? O, yes, sir.

Q. Was General Schenck a director?—A. He was a director.

Q. Did he know that Grant was a promoter?—A. I do not know at what time he ascertained the fact.

Q. Did he know it in advance of his consenting to become a director?—A. I think perhaps he did. I do not know.

Q. He swears he did not.—A. I do not know anything about it.

Q. Now, you testify that the directors did understand that Grant was the promoter?—A. Some of them did; Mr. Anderson did, any way.

Q. If you are going to limit it, then do so.—A. I cannot swear that they all did. I do not know at what time Mr. Schenck found out the fact; I do not remember.

Q. Do you know whether any of these directors were qualified by stock put in their names by Baron Grant?—A. I believe they qualify all directors by putting some stock in their names.

Q. I ask you if you know whether any of these directors were qualified by stock?—A. I do not know of my own knowledge how that was done. He organized the company and must have fixed it in some way so that the stock was put in their names in order that they might be directors.

Q. Did they pay for the stock?—A. I suppose they all paid for their stock; I never heard of any other arrangement. I do not know but some of them may have had it presented to them; I do not know anything about that—that was his business.

Q. You state that they were such eminently respectable men that you cannot conceive that they would allow themselves to be qualified by the promoter, can you?—A. They did not appear to me like that kind of men.

Q. You would have considered it disreputable for an eminently respectable director to take his qualification from the promoter, would you not?—A. Well, I don't know as I would say that.

Q. Has your attention been called to a recent case in England, in which the high court decided that it is disreputable, and that a man incurs a liability in doing it?—A. Well, I should not want to do it, although in California I have known of their organizing such companies with very reputable gentlemen; and they would want certain men to act as directors who were not purchasers at all, and they would give them five or ten shares, put it in their names, just to comply with the law.

Q. Yes, but these respectable names went out with the prospectus in order to get subscriptions, and these allotments were to be made by these highly respectable gentlemen; and you say that they were so highly respectable that they would not have allotted any shares to Baron Grant, because he was a promoter?—A. They would not have done so if it had not been a *bona-fide* allotment brought in by the promoter. I came away before the allotment, but I conversed with the directors about this thing, as to how they were going to allot, and heard their views about it.

Q. You said you were present at the allotment?—A. I wish to take that back; I was present when it was discussed by these gentlemen, but not at the final allotment.

Q. But you said there were a good many brokers who wanted large quantities of the stock, which was refused them?—A. They told me that they were going to refuse them; that they were going to make it a *bona-fide* matter. That was a conversation with the directors.

Q. All the people who went in to bull the stock and had put in subscriptions, in order to keep it up on the market and have a large run of the stock, were to get their installments back again and the stock was to be

transferred to the *bona-fide* fellows who were not engaged in bulling bearing the stock?—A. No, no.

Q. Do you say it would not have been allotted to Baron Grant that purpose?—A. I say that that board of directors, from my know edge of them and the way they talked, had it been a scheme to buy the stock and take it back into the company, would have made no allo ment whatever. The scheme would have fallen through and the mone been given back.

Q. Yet you say there was a contract with Baron Grant by which this thing was to be done?—A. No, not that. The extent of my understand ing, with regard to that, was that if they undertook to jump on the stock and destroy it before it was known to the public, he would stand by and take care of it. That, I understood, was the usual way they did it, and not peculiar to this company.

Q. But if, in the course of events, he became a subscriber to the stock and paid up his £2 per share, the subscription would not be received, but would be returned to him, while the subscriptions of outside parties who paid in their £2 in good faith would be received?—A. No, no.

Q. That is what I understand you to say, but I want to get it straight —A. I mean to say, that with that board the scheme would never have been put forward, had it turned out that the promoters had bought i in and that there was not an abundance of *bona-fide* subscribers; that i they had come there and undertaken to take the stock without payin for the stock it never would have been issued to them. The money ha all to be paid in. Had it been a sham they never could have got th allotment from that board, from my knowledge of them and from th conversations that I had with them before I left; the whole thing woul have fallen through.

By Mr. BARNUM:

Q. I do not quite understand whether this stock, that was actual subscribed for and more than subscribed for, was any part of this sto that belonged to Baron Grant, or that he was to have for placing th stock.—A. The one-half was to be put on the market, and Baron Gra was to have his commission out of that half.

Q. He was actually placing his share of this stock?—A. His sha went with the other.

Q. So that whatever the stock brought, the £100,000 that he was receive was to be paid to him out of the money received?—A. It wou be when there was a distribution of the funds.

Adjourned.

WASHINGTON, D. C., *March* 24, 1876.

Hon. WILLIAM M. STEWART resumed his testimony, as follows:

I desire to have printed in my testimony a copy of the deposition Charles H. Hempstead, of Salt Lake, who was counsel for Mr. Ly and has frequently been referred to in the case.

Mr. FAULKNER, (in the chair.) Was it taken upon due notice to M Lyon?

The WITNESS. It was in the case of the Emma Silver Mining Co pany against Park and Baxter. Mr. Lyon is not a party to that su but it relates to that Emma business. The object of the suit is recover the purchase-money of the mine.

Mr. FAULKNER. Is that a suit pending in New York?

The WITNESS. Yes; the suit is pending in New York with regard to these same matters which are being investigated here.

The deposition is as follows:

UNITED STATES OF AMERICA,
DISTRICT OF CALIFORNIA.

State of California:

Be it remembered that on this day of December, in the year of our Lord one thousand eight hundred and seventy-five, I, Holland Smith, a notary public in and for the city and county of San Francisco, State of California, aforesaid, and duly commissioned and qualified under the laws of the United States to take depositions for use in the circuit courts of the United States, did call and cause to be and personally appear before me, at the office of Wm. M. Stewart, in the city and county of San Francisco, in the said State of California, district of California, aforesaid, C. H. Hempstead, to testify and the truth to say on the part and behalf of the defendants, Trenor W. Park and H. Henry Baxter, in a certain suit or matter of controversy now depending and undetermined in the circuit court of the United States for the southern district of New York, in the second circuit, wherein the Emma Silver Mining Company, (limited,) of London, is plaintiff, and the said Trenor W. Park and H. Henry Baxter are defendants. And the said C. H. Hempstead, being about the age of thirty-five years, and having been by me first cautioned and sworn to testify the truth, the whole truth, and nothing but the truth in the matter of controversy aforesaid, I did carefully examine the said C. H. Hempstead, and he did thereupon depose, testify, and say as follows, viz:

My name is Charles H. Hempstead. I am an attorney at law by profession. I reside in Salt Lake City. I have resided there for the past thirteen years, and for the last ten years have practiced my profession there. I have been in California for about a month past, traveling for my health. I am attorney for the Emma Company in their business generally in Utah, and have been for some years back, but not in this case. I was attorney for James E. Lyon in his suit against the former owners of the Emma Mine, in the years 1870 and 1871.

By Mr. STEWART:

Question. In that case, did you make any effort to obtain an injunction against the parties in the possession of the Emma Mine? If so, give the history of the efforts you made in that direction.—Answer. We made two or three several efforts to obtain an injunction, and we obtained a restraining order in the first instance, which was afterward set aside, and we failed to obtain an injunction. We tried every means known to the law in order to obtain an injunction. The whole of the history is very long. Will you please indicate to what particular branch or stage of the proceedings you desire to direct my attention?

Q. Particularly to the condition of the case in the summer of 1871.—A. In the condition of our courts in Utah at that time, and the prospective removal of the cause, whatever might be the decision of the *nisi prius* court, to the Supreme Court of the United States, and the great length of time such litigation necessarily requires, involving before its final termination by the Supreme Court of the United States four or five years, in all probability, it was my earnest desire, as also that of my colleagues, in the conduct of the cause, including Mr. William M. Stewart, who was associated with me in the conduct of Mr. Lyon's cause, I and my associates having failed to obtain the injunction, and knowing the liability in mining pursuits for mines to be ruined by unskillful working, if not entirely worked out, however rich they might be, to expedite matters as fast as possible; with that view and guided mainly by that, and hoping thus to obtain a status by which we could ultimately enjoin the working of the mine, which we regarded as vital to our interest, if we should ultimately succeed, the entire cause, by a stipulation and consent and order of court, was referred to Benjamin R. Curtis, to be tried on its merits, the award to be filed and made an order of court. Mr. Curtis at the time was in Europe. That was ascertained after the reference. We had reason to believe that he would accept it, but afterward we had a great deal of doubt about it.

Q. How would the fact of his being in Europe affect the probability of his accepting?—A. Mr. Curtis was traveling in Europe for his health, and, of course, it depended on the state of his health whether he would be able to come in response to our invitation to hear the cause.

Q. Then, was the prospect of getting an early decision much improved by the attempted reference?—A. We thought somewhat, but not a great deal. It was better than the condition of the case as it stood.

Q. What were the difficulties about the case without a reference at all?—A. It was believed, without justice as I thought, that the judge was so much prejudiced that he would not give a fair hearing to the cause, and that would involve an application for a

change of venue, which would have been fraught with even greater delay than t tried it before the judge of the third district court, before whom it was pending.

Q. Was there any difficulty with regard to the laws of Utah, arising from a decision at that time, a decision having been recently had with regard to the po the legislature to pass a practice act concerning the summoning of a jury?—A. serious difficulty. The legislature had passed a practice act, which the judge district court had overruled and set aside, and the court was running then as a U States district court instead of a territorial court, as it really was; and good la thought, as it afterward proved, that the court was wrong, and that a judgment upon such theory would be invalid and void. There was no safety in any judg obtained at that time, as it afterward proved.

Q. Did you have any conversation with James E. Lyon and William M. St during the month of July, and before they both left the Territory, with regard t value of the mine and the probability of its continuance? If so, state generally was said at different times with regard to it.—A. We, none of us, entertained d as to the great value of the mine, and had many conversations bearing upon question.

Q. During these conversations, which you say were frequent, was anything with regard to the mine being then exhausted or nearly so?—A. On the contrar thought not. We had the most glowing reports as to its value and estimated p nency; but mines are mines all over the world, and, while we might estimate was in sight, of course what was not in sight we had to form the best conclusio could; but there was no indications, so far as I was able to ascertain from repor having personally investigated it, that caused us to regard it as seriously impair likely soon to be exhausted.

Q. Was there anything said in those conversations as to what might possibly t condition of the mine years afterward, and when there should be a final termin of the suit, provided the suit should be prosecuted through all the courts to a determination?—A. Frequently, and in this connection I constantly urged Mr. not only to entertain any proposition that was at all reasonable for a settlemen to make approaches toward such settlement, based upon the fact of the length litigation which was impending, and the liability of the best and apparently permanent mines to be destroyed by improper working, or to be exhausted pe the litigation.

Q. Did you ever have any conversation with Mr. William M. Stewart, esq., and E. Lyon in that connection?—A. With both of them, and, I am not positive but think, that my solicitation expedited the final compromise in the matter, based those reasons.

Q. Then I understand you to say that no intimation was made by anybody duri frequent consultations that were had between yourself and James E. Lyon and W M. Stewart, during the summer of 1871, that the mine was then nearly exhausted, bu the conversation with regard to the exhaustion of the mine referred to the period wh litigation should finally determine?—A. That is unquestionably the fact; we reg the mine as looking, so far as we could ascertain, as though it w re permanent, and were many experts who informed us and talked to us, to me at least, of the liabi mines, of which I was somewhat aware from my conversance with mining oper in other countries, and from ordinary common sense, the great liability of a mine t out although it showed characters of permanence; but I can remember no con tion nor the entertaining of the opinion by either of us at that time of doubt th mine was looking better than ever.

Q. Do you recollect whether Mr. Lyon expressed his opinion as to whether or would be probably exhausted at the end of the litigation?—A. No; I rememt distinct conversation, or anything that he said on that subject, but my impres and my best recollection is that he concurred with my opinion, whether I deriv opinion from him or he derived his from me in the expression used on that subje

Q. The opinion then entertained as I understand you was based upon the li of all mines, however permanent in appearance, to be ultimately exhausted?—A sir; from the impression which seemed to prevail among some of the experts a that there were no permanent true fissure veins in a limestone country.

Q. Then your advice to Mr. Lyon to entertain a proposition for settlement was in part upon the delay incident to the litigation?—A. Largely, if not mainly, so

Q. You say that the reputation of the mine at that time was good; how w reputation after that period during the following year?—A. My recollection is, out being able to fix dates exactly, my clear recollection is, that it continued s even increased. I know they took out a great deal of ore, and the reports wer favorable from the mine.

Q. Do you recollect the proceedings that were had by the Emma Company a the Illinois Tunnel Company in the spring and summer of 1872?—A. Very well.

Q. Wherein an injunction was procured and a final settlement had; do you rec *the proceedings?*—A. Very well. I had then become resident attorney of the I *Company*

Q. Did you participate in the proceedings by which the Emma Company obtained that injunction?—A. I did.

Q. Who assisted you?—A. Trenor W. Park, Judge Poland, of Vermont, William M. Stewart, and my partner, Mr. Kirkpatrick. I believe that constituted our force.

Q. During that investigation which led to the injunction, did you visit the Emma Mine?—A. I did, in connection with all the attorneys on both sides, and the judge of the court, and experts on both sides, by stipulation.

Q. What was the object of that visit?—A. The main object was to make it apparent to the judge, so that when our experts testified they would testify to an intelligent court.

Q. It was to view the premises?—A. Yes, sir; to view the premises like a jury, to make plain such testimony as reflected upon the points at issue.

Q. What was the main point at issue in the case?—A. The ore connection or the vein connection between the patented vein and the bodies of ore explored and driven into by the Illinois tunnel.

Q. What was the general conclusion arrived at as to the value of the mine; what was generally said of it at that time, or thought of it?—A. On our side we thought most clearly that it looked well, and there was no doubt of the ore connection.

Q. Do you recollect after the injunction was obtained, when the cause was set for trial, the law case of the Emma Company against the Illinois?—A. It was that same fall; my impression is that it was about the middle of September; it was several months after the decision on the injunction, but during the same year—I think the same fall.

Q. Who appeared there on the part of the Emma Company for the purpose of trying the law case?—A. Mr. T. W. Park, Mr. William M. Stewart, and Hempstead and Kirkpatrick.

Q. What representative did the Emma Company have besides their attorney there on that occasion?—A. Mr. Anderson, the then chairman of the company; he was there all the time.

Q. Do you recollect of a settlement that was finally effected in the case, a purchase of certain rights by the Emma Company?—A. I do.

Q. Who were the parties on the part of the Emma Company, negotiating and perfecting such settlement, and what were the reasons for making it?—A. Mr. Park and Mr. Anderson mainly settled the case.

Q. What were the reasons for making that settlement? What did the Emma Company acquire thereby?—A. I don't think I should tell the reasons; they were perfectly fair and legitimate, but I was their attorney at that time; I can tell you what they acquired. They acquired the Illinois tunnel and the abandonment of all their claim to those ore-bodies; that is a matter of record, I think.

Q. With the full knowledge of all the facts and the advantages to be gained by the Emma Company, did you advise the settlement?—A. I had sometime previously, constantly.

Q. Was there any undue advantage taken by Mr. Park or Mr. Anderson, or any one else, of the company in making that arrangement? In other words, was everything fair and honest, and for the interests of the company?—A. I thought it was at the time or I should not have advised it, and I know no reason since to change that opinion.

Q. Were you present during the consultations between Mr. Park and Mr. Anderson?—A. Some of them.

Q. Sufficiently to be pretty well advised with regard to the progress of the negotiations, and the matters connected with the same?—A. I was not advised as to the details, although I was as to the general purport of it, until after the settlement and after the trial.

Q. After having all the details in the case did you approve and sanction it?—A. I had no occasion to especially approve or sanction, and I saw or knew of no reason for disapproving. Mr. Park and Mr. Anderson were fully advised as to the facts as well as to the law bearing upon the case, and mainly, if not entirely, conducted the negotiations which resulted in the settlement.

Cross-examined by John T. Doyle, esq., counsel for the plaintiff, when the witness answered as follows, to wit:

Q. Is this Emma Company that you have spoken of as having a litigation with the Illinois Company, the same Emma Company which is plaintiff in this suit?—A. The same; the Emma Silver-Mining Company of London, limited.

Q. Were you acting as their counsel in your connection with the various matters you have stated?—A. During the last part I was. I was originally the attorney of James E. Lyon against the Emma Company.

Q. The first Emma Company I understand was a different company?—A. It was a New York company then.

Q. The advice which you gave them to settle with the Illinois Tunnel Company, was it given professionally, or not?—A. Certainly, sir; entirely so.

Q. Will you please mention the title, and where we shall find a reference to the cases in which the decisions were made that the court was a territorial court, and that the practice-act was invalid, and afterward to the contrary?—A. Judge McKean, following the case of Orchard *vs.* Hughes, (1 Wallace, 70,) held the practice-act adopted by the territorial legislature, so far as it relates to injunctions ex parte, militated against the chancery practice and the rules of the Supreme Court of the United States in equity cases, for the reason that the third district court was a court of the United States, and not a territorial court, and this doctrine was overruled in Englebrecht *vs.* Juter, Clinton *et al.* Dunphy *vs.* Kleinsmith (11 Wallace, 610) is another of the cases; that has been followed by several decisions since.

Q. Did you understand that the effect of those decisions was that a judgment by the district court, in which this action was pending, would have been invalid and void?—A. After they were decided I certainly understood it. That was my opinion from the first, and my effort was, which I argued in the Lyon *vs.* The Emma Company, to overcome the Orchard and Hughes case, but the judge followed that and applied it to our courts. My opinion then was as it afterward turned out the Supreme Court held. Orchard *vs.* Hughes held that the district courts of the United States were not governed by any State or territorial enactments as to their equity practice, but were governed by the rules of the Supreme Court and the high court of chancery. Judge McKean applied that ruling to territorial courts on the ground that the territorial courts were courts of the United States, and Dunphy *vs.* Kleinsmith held that those rules, while they were applicable to United States district courts proper, did not apply to territorial district courts. They were territorial courts, and not United States courts. That is a correct statement of it.

Q. The case in which that question arose, Lyon *vs.* The Emma Company, was not against the Emma Company the plaintiff in this action, but against the Emma Company of New York, I understand?—A. My recollection is, and my impression is, that the record discloses that the title of that case is James E. Lyon *vs.* Joseph R. Walker and others, who were the original owners before any incorporation. Those gentlemen, afterward or before, and I do not remember distinctly, incorporated as the Emma Silver-Mining Company of Utah, and then they sold out to the Emma Silver-Mining Company of New York, and they to the Emma Silver-Mining Company of London, limited; but the plaintiff in this case was not a party to that action, as it had not then been organized.

Q. Tell me the names, if you please, of the experts, who, in the course of the suit of Lyon *vs.* Walker and others, suggested the probability or possibility of the mine being exhausted.—A. I do not believe I can do that. I do not believe I can recollect them, but it is a subject upon which Mr. L. U. Colbath and I have conversed. I have forgotten whether he was in the Territory at the time, whether he was one of our experts or not. My impression is that Mr. Wilder was one of our experts. I think those were there, and I think I derived my impressions largely from them, but I cannot be positive as to the particular persons.

Q. In the conversations that you have testified to between yourself and William M. Stewart and Mr. Lyon, the plaintiff, do you remember, so as to be able to detail any particular conversation, or are you merely referring to general talk?—A. I cannot; I am merely referring to the general impression that our general talk left upon my mind, for we had necessarily many. I suppose Mr. Lyon was with Mr. Stewart in my office every day, almost, for a long time, while Mr. Stewart was in the Territory. Mr. Lyon was there all the time.

Q. You say in your direct examination, (question No. 15, page 11,) that the reports thereafter were very favorable to the mine; what sort of reports do you mean, mere public report?—A. Entirely so, because I had no access to the mine or otherwise, although I knew the owners and managers, Hussey and Walker, and my recollection is that way, very distinctly.

Q. Was it the suit of Lyon *vs.* Walker that you said was compromised, or that of the plaintiff against the Illinois Tunnel Company?—A. They were both compromised.

Q. Was that compromise made before the trial? I am speaking of the compromise of the suit against the Illinois Tunnel Company; was that agreed upon before the trial took place?—A. Yes, sir; I think it was. As I say, that was consummated by Mr. Anderson and Mr. Park before the trial; that is my impression.

Q. It was entered into before the trial?—A. I think it was pending the trial.

Q. But, after the compromise, the trial was gone through with as part and parcel of the compromise, was it not?—A. That I do not know, but my impression is that we had gone into the trial and the compromise was effected pending the trial.

Q. Was not a decision rendered?—A. Yes, sir; we had a verdict and judgment.

Q. Then the verdict and judgmnet were practically by consent, and a part of the compromise?—A. Not as I understood it, although perhaps I suspected it. I understood that the trial was to go on, and my instructions were that the trial was to go on as though no talk of compromise had been had; but I think it was practically settled before the trial.

The further examination of the witness was continued until to-morrow, December , 1875, at 1 o'clock p. m.

At this point it was agreed by and between the respective counsel, viz, John T. oyle, esq., of counsel for plaintiff, and William M. Stewart, esq., counsel for defend- its, to adjourn the further taking of testimony until December 30, 1875, at 1 o'clock m.

SAN FRANCISCO, CAL., *December* 30, 1875.

Met pursuant to adjournment; present, William M. Stewart, esq., counsel for defend- its, John T. Doyle, esq., of counsel for plaintiff, and Charles H. Hempstead, esq., the itness, whose examination was resumed by Mr. Stewart, when he answered as fol- ws, to wit:

Q. In answering the question on page 23, No. 8, did you mean it to be understood at any experts had given the opinion that the mine was then exhausted?—A. I did not; lo not think that was the case; on the contrary, the information which I had gath- ed impressed me with the opposite opinion, and in using the word "expert" as the sis of the answer I mean to be understood men whom I regarded as experienced iners, not technical experts.

Recross-examination of the witness, C. H. Hempstead, esq., by John T. Doyle, esq., counsel for plaintiff, when he testified as follows, to wit:

Q. Did the conversation that you have stated the purport of, between yourself and mes E. Lyon, occur in the course of your professional business for him in and about e suit against Walker and others?—A. Yes, sir; it was while he was my client and reference to the pending litigation.

Q. And so as to the conversations that occurred between yourself and William M. ewart. They were conversations between you two gentlemen associated as counsel the case, were they not?—A. Yes, sir.

Q. Is the same thing true as to the conversations you have testified to with Mr. rk and Mr. Anderson, chairman of the company plaintiff?—A. They were while Mr. nderson was my client and Mr. Park was my colleague.

Re-direct examination of the witness Hempstead, by Mr. Stewart, of counsel for fendants, when he testified as follows, to wit:

Q. Were not the conversations which you have given, between yourself and Mr. yon and Mr. Stewart, of a public character, occurring in your office daily, not only the presence of Mr. Lyon and Mr. Stewart, but in the presence of various other per- ns; and have they any reference to any professional secret, and were they not of atters which were of public notoriety?—A. That is unquestionably true, and I did t, and do not, regard them as matters of professional confidence, or I should not ve testified to them.

CHARLES H. HEMPSTEAD.

Then there are two other short depositions, one of H. B. Murray and e other of M. C. Hillyer, who visited the mine under the order of sur- y in 1871, and reported to Mr. Lyon and myself the condition of the ine at that time. It will be remembered that neither Mr. Lyon nor yself were in the mine then, and that this survey, testified to by all rties, was obtained upon an order of court, and we sent in several ntlemen, experts, &c., to see what the mine was. These gentlemen, their depositions, state what report they made to Mr. Lyon and to yself when they came out. They show the information I had of the ine when I went to England. I introduced them as part of my vindi- tion—to show my source of information at the time. These deposi- ons were taken in the same suit.

By Mr. FAULKNER:

Q. Were these reports made at the time of the examination?

The WITNESS. They were made at the time to us.

The depositions are as follows:

U. S. circuit court, southern district of New York.

THE EMMA SILVER-MINING CO. (LIMITED)
agst.
TRENOR W. PARK, IMPL'D, &C.

Copy of Deposition of H. B. Murray

My name is Henry B. Murray; my age is thirty-two years and upward; I reside in the city of San Francisco, State of California.

(By consent of counsel, adjourned until 11 o'clock November 19, 1875.)

November 19, 1875, met pursuant to adjournment.

Present: John T. Doyle, of counsel for plaintiff; and Wm. M. Stewart for defendants, Park and Baxter.

Question. What is your occupation?—Answer. Dealer in mines and mining-stocks.

Question. How long have you been engaged in that business?—Answer. At various times since 1863.

Question. Have you ever visited the Emma Mine?—Answer. Yes, sir.

Question. When first?—Answer. In the month of July, 1871, in company with Capt. E. B. Wilder and Thomas J. Almy.

Question. What was the occasion of that visit?—Answer. To make a survey and inspection of the Emma Mine.

Question. In whose behalf was the survey made, and how did you obtain admission to the mine?—Answer. On behalf of James E. Lyon, an adverse claimant; and admission was gained under an order of the court.

Question. Were there any other persons besides yourself and Captain Wilder who visited the mine on that occasion, and gained admittance by virtue of the order of the court? and, if so, name the persons.—Answer. M. C. Hillyer and L. W. Colbath.

Question. How long did you remain in the mine?—Answer. About ten hours a day for three days.

Question. What was the appearance of the mine, as to the extent of ore in sight at that time?

(The above question is objected to by counsel for plaintiff, on the ground that the witness is not shown to have been an expert or to have possessed adequate knowledge of mines or mining to speak to the question.)

Answer. Good.

Question. Had you visited other mines previous to this time, in that Territory or elsewhere? If so, state some of the principal mines you had visited.—Answer. The Gregory, the Burrows, the Rhoderick Dhu, the Kansas, and other prominent mines in Colorado Territory; the National, Union, and Grizzly in Montana; the Hidden Treasure, the Ward Beecher, California and South Aurora, in White Pine district, Nevada; also the Raymond and Ely in Pioche district, (as to the Raymond and Ely, did not visit the place from which the ore was taken,) and a large number of mines in Utah.

Question. How did the Emma Mine, at the time of your visit in July, 1871, compare in richness and extent of ore exposed with the other mines which you had previously visited?

(This question objected to on the same grounds as preceding question, No. 9, and also as immaterial.)

Answer. In comparison with other mines in Utah previously visited, the ore-deposit was large; its richness I know nothing of.

Question. Can you give an idea of the extent of the ore exposed, by a description of the mine as you then saw it, according to your best recollection?—Answer. I could not say how many tons of ore were in sight, as no measurements were taken for that purpose; but the upper and lower workings were a mass of ore.

Question. Can you give some further idea of the extent of ore, by stating, as near as you can recollect, the thickness of the ore-body and the depth from top to bottom?—Answer. The very uppermost workings were narrower than those below them. From the line of the tunnel up, there were eleven floors, averaging about ten feet in height each. The width of the vein averaged from twenty to fifty feet in width. In the upper workings the ore had not been worked out, which accounted for its narrowness. Below the line of the tunnel there was a winze, about forty feet deep in ore, connected with a small drift to a large chamber, from which ore had been extracted.

Question. You speak of ore having been extracted from different parts of the mine. Did you see any ore standing that was not extracted?—Answer. Yes, sir; large quantities of it.

Question. Where were the large quantities of ore that you speak of?—Answer. In the upper workings and the lower workings.

Question. After this visit and examination of the mine, what report did you make

if any, to James E. Lyon and his attorney, Wm. M. Stewart, or either of them, of the character of the mine and the quantity of ore exposed?

(This question objected to as irrelevant.)

Answer. I told Mr. Lyon, although we had not measured the amount of ore, that in sight was immense; said it was "all ore." He asked me how much I thought was there; I said at least fifteen thousand tons in sight.

(This answer is also objected to as hearsay.)

Question. Was Wm. M. Stewart present at the time of this conversation?—Answer. Yes, sir.

Question. Did you hear what report the other gentlemen made on their return to Salt Lake after their examination of the mine, to Wm. M. Stewart and James E. Lyon?

(This question objected to as being irrelevant.)

Answer. Yes, sir; I did hear what the other gentlemen said in regard to the mine; their opinion and report was substantially the same as my own.

(This answer also objected to.)

Question. Do you know whether either Wm. M. Stewart or James E. Lyon had ever seen the mine at that time?—Answer. They told me they had not.

(This answer objected to.)

Question. Do you know whether they visited it after that time, at any time during the year 1871?—Answer. I do not know positively; I do not remember.

Cross-examined by Mr. Doyle, of counsel for the plaintiff, when this witness testified as follows:

Question. What was the title of the suit, and in what court was it pending, wherein the order to inspect was issued under which you obtained admission to the mine?—Answer. I believe it was James E. Lyon against Walker Brothers and others, in the third district court of Utah.

Question. Please give the date of your visit as near as you can.—Answer. Some time about the middle of July, 1871.

Question. What was E. B. Wilder's business at that time?—Answer. A mining-surveyor, and was considered a mining-expert.

Question. What was Thomas J. Almy's business at that time?—Answer. A miner; that is, mine-owner.

Question. Did Mr. Wilder or Mr. Almy make measurements in the mine and take notes of the particulars observed?—Answer. Captain Wilder made the notes and Mr. Almy and myself took the measurements.

Question. Did you yourself make any notes or memorandum of the measurements taken or what you observed in the mine?—Answer. No, sir.

Question. What was the purpose of the investigation or survey at which you took this part? Was it to ascertain the quantity of ore or the direction of the vein, or what?—Answer. It was to determine the direction of the vein, and also to give Mr. Lyon an idea of what was in the mine.

Question. Was not the controversy as to whether this Emma Mine was or was not a continuation of a vein on which Lyon had a location and the survey ordered so as to aid in determining that question?—Answer. Certainly.

Question. The information, then, to be given Mr. Lyon as to the character of the mine was to be obtained incidentally in the course of the survey?—Answer. Certainly.

Question. Where have you done business for the four or five years past?—Answer. Salt Lake City, Utah. When in this city, I am at the Grand Hotel.

Question. Have you any office or place of business in this city or State, except your address at the hotel?—Answer. I have no office. I have been a resident in this city since 1867, except temporary absences.

Question. Are you associated in business with any person or alone?—Answer. Yes, sir; I have interests with various different persons and in various different mines.

Question. Have you any interest in common with any of the defendants in this action?—Answer. None, sir.

Question. Have you ever had?—Answer. Never.

Question. How long have you known Wm. M. Stewart?—Answer. Since eighteen hundred and seventy-one.

Question. Do you know Trenor W. Park?—Answer. I cannot say that I do.

(Signed) HENRY B. MURRAY.

United States circuit court, southern district of New York.

THE EMMA SILVER-MINING COMPANY, (LIMITED,)
against
TRENOR W. PARK, IMPL'D, &C.

Copy of deposition of M. C. Hillyer.

My name is Munson C. Hillyer; my residence is in San Francisco, Cal., but my

business is in Virginia City, Nev., at which place I spend the greater part of my time; my age is fifty years and my occupation is mining.

1. Question. How long have you been engaged in mining?—1. Answer. Sixteen years.

2. Question. In what capacity have you been engaged in that business?—2. Answer. I have been general manager, superintendent, and owner of mines.

3. Question. Where have you been so engaged in mining, and in what mines?—3. Answer. In California, Nevada, and Utah. Have been engaged in Ophir, California, Chollar and Caledonia, on the Comstock lode; Hidden Treasure and other mines at White Pine District, Nevada; and several in Pioche, Nevada, and Utah.

4. Question. To what extent have you been in the habit of visiting and examining mines on the Comstock and other places?—4. Answer. It has been pretty much all my business to make myself familiar with mines on the Comstock and other places. I have visited nearly all the mines on the Comstock, and have been in the habit of doing so frequently for the last sixteen years.

5. Question. Did you ever visit the Emma Mine; if so, when and with whom?—5. Answer. Yes, sir; about the middle of July, 1871; Lemuel W. Colbath and E. B. Wilder, H. B. Murray, and a man named Almy were there at the time.

6. Question. Did you make an examination of the mine at that time?—6. Answer. Yes, sir.

7. Question. How did you obtain admittance?—7. Answer. By an order from the court, I believe.

8. Question. In whose behalf did you visit the mine and for what purpose was the visit made?—8. Answer. Hon. James E. Lyon, William M. Stewart, and C. J. Hillyer; the object was to get the direction, value, and extent of the mine.

9. Question. How long did you remain in the mine in making your examinations?—9. Answer. I should think we were in the mine two hours and a half; for several days I was about the mine on the surface—probably two weeks.

10. Question. To what extent did you go through the workings of the mine under ground?—10. Answer. I went all through the mine they were working except a wing which was said to have water in it, and which I did not go down.

11. Question. Where was that wing with reference to the body of ore?—11. Answer. The wing was southeast from the main body of ore.

12. Question. What did you observe as to the character of the mine and quantity of ore in sight?—12. Answer. There was a very large body of carbonate of lead and galena-ore carrying a large percentage of silver. My estimate of it was from $150 to $200 to the ton in silver.

13. Question. Did you make any estimate of the quantity of ore in sight?—13. Answer. I took what the surveyor told me as to measurements, and from my observations I thought he was about right. I could not really give any estimate of the quantity because there was ore all around us, above, below, and in front. On the southeast end, about 45 or 50 feet above the tunnel-level, going southeast, they had run out of ore; going northwest, it was looking very well, very fine and very rich ore. I thought the ore-body was very extensive, and could safely calculate on there being fifteen or twenty thousand tons. All we had to go by was the strength of the body of ore, the dip, and the width, as exposed in the openings.

14. Question. After this examination, did you make a report of what you saw, and your views of the mine, to William M. Stewart and James E. Lyon? And, if so, state, as nearly as you can recollect, what you said to them on that occasion, where the conversation occurred, and at what time.

(Objection is made to the above question by counsel for plaintiff on the ground that it is immaterial and irrelevant to the case.)

14. Answer. I made a verbal report to Messrs. Stewart and Lyon, some time about the 15th of July, 1871, at the Townsend House, at Salt Lake City, Utah, or soon after my visit to the mine. I told them the strike or direction of the ore-body was west of north, and that the ore-body was very large and rich, and I believed it to be extensive.

15. Question. Did you tell them in this conversation of your estimate of the quantity of ore developed in the mine? If so, what did you say to them on that subject?

(Same objection as made to question number 13.)

15. Answer. I do not recollect whether I told them or not. I know it was talked of between Colbath and myself, and I think in the presence of Stewart and Lyon, but I will not be positive.

16. Question. Did you say anything in that conversation as to your estimate of the value of the mine? If so, what?

(Counsel for plaintiff makes the same objection.)

16. Answer. Yes, sir. We thought the mine was worth from three to five millions of dollars; but I cannot be certain that we so expressed ourselves in the presence of Stewart and Lyon, but I think we did.

17. Question. Who was in the possession of the mine, and working it at the time of your visit?—17. Answer. The Emma Mining Company.

18. Question. Were you present at any conversation between Stewart and Lyon, when the question of how long it would take to terminate the litigation between him and the Emma Company was discussed? If so, state the conversation, or the substance of it, as near as you can recollect, and when it occurred.

(Objected to by counsel for plaintiff.)

18. Answer. Yes, sir. Some time in July or August, 1871; it was indefinite, but they thought it might be several years.

19. Question. What were the difficulties suggested in the way of a speedy trial?

(Objected to by counsel for plaintiff.)

19. Answer. Some difficulty in getting a jury under the then condition of the laws in Utah, and after trial some time would be necessary before the case would be finally decided in the Supreme Court of the United States.

20. Question. Was there anything said in that connection about the effect on Lyon's interest of allowing the Emma Company to work the mine, pending the litigation? If so, what?—20. Answer. If the litigation continued a great time without the injunction, the mine would probably be worked out, or a large portion of it.

21. Question. How did this mine compare, as to its apparent extent and value at the time you visited it, with other mines with which you were familiar?

(Question objected to by counsel for plaintiff.)

21. Answer. It was the richest and most extensive mine I knew of at that time; shortly after that the development in the Crown Point Mine exceeded it, but it was the best mine, or showed better than any mine at that time.

Cross-examined by Mr. John T. Doyle, of counsel for plaintiff, when the witness testified as follows, viz:

Question. At the time you made this examination of the mine, what did you find to be the width of the vein, and what the length and depth of the ore-body, or what measurements did you make tending to show those facts?—Answer. I did not make any measurements; there had just been a survey of the mine the day before, and the surveyor was with me; the depth of the ore-body I could not tell; in the northwest end they had raised up 30 to 35 feet in ore, and from 36 to 40 feet in width; I did not think they were through in the east side; the length I do not recollect as well; the south portion of the ore-body they had gone through, but my impression is that it was in length from 100 to 150 feet.

Question. Do you remember how many tons of ore you estimated to be in sight?—Answer. What we judged from was the appearance of the slope and the front of ore, and we thought it could not run out under less than fifteen or twenty thousand tons of ore, but there was no way to estimate the quantity of ore as there were no cross-cuts. There is no way to estimate the quantity of ore definitely unless we surround it by excavations.

Question. Did you not enter the mine through a tunnel running nearly in the same direction as the vein?—Answer. Yes, sir.

Question. And where the tunnel entered the vein you found a body of ore had been sloped out of about the dimensions you have mentioned?—Answer. Yes, sir.

Question. What further excavations then existed tending to disclose the extent of the deposit of ore in the mine?—Answer. There was a wing in the southeast body of ore sunk from the tunnel down, which I did not go into. There was a drift run out nearly west not over five or six feet long, when I was there—nearly west, as I think.

Question. Which of these mines which you have named in the direct part of your examination, have you been general manager or superintendent of?—Answer. The Cholar.

Question. At what time?—Answer. From 1860 to 1865.

Question. Was your education directed to mining and ores scientifically, or has your knowledge on the subject been acquired merely by practice?—Answer. All practical observation. I have no scientific education.

Question. Are you capable of making an assay of ore yourself?—Answer. I used to do it, but do not think it reliable. I know how it is done.

Question. Are you a good chemist?—Answer. No, sir. I do not think I am.

Question. How long have you known Wm. M. Stewart?—Answer. About fifteen years.

Question. Have you any business relations with him or interest in common with him?—Answer. No, sir.

Question. Have you ever had?—Answer. Yes, sir.

Question. In mines or mining speculations?—Answer. I have been stockholder in the same company with him.

Question. Do you know Trenor W. Park?—Answer. Yes, sir.

Question. How long have you known him?—Answer. Twenty years.

Question. How intimately?—Answer. I have known him as a lawyer and business man, since fifty-four or fifty-five. I knew him when he was running the Mariposa Estate.

Question. From the time of *your acquaintance* with Mr. Park, say 1854 or 1855, down to the *time you became superintendent* of the Chollar Mine, what were your

business relations with Mr. Park?—Answer. I was not superintendent of the Cholla Mine. I was the president and general manager, and attended to the business of super intendent. No, sir, I had no business relations with him. I never had any busines relations with him.

Question. Was there any friendship between you?—Answer. No particular friend ship; we knew each other well.

Question. Where is your residence when in the city?—Answer. At No. 519 Tyle street.

Redirect examination by Mr. William M. Stewart, counsel for the defendants, whe the witness testified as follows, viz:

Question. Did you go below as well as above the tunnel-level in your examination o the mine?—Answer. I did; my impression is, about fifteen feet or more below th tunnel-level.

Question. Did you go through all the works with the exception of the wing?- Answer. Yes, sir.

M. C. HILLYER.

I have stated to the committee that I was in the mine with Mi Anderson in the fall of 1872. Mr. Anderson, however, visited it twic His visits were about a month apart. I submit, as part of my evidenc two reports of the company, which refer to dispatches sent by Mi Anderson, the president of the company.

[The reports are as follows:]

EMMA SILVER MINING COMPANY, LIMITED.

VICTORIA BUILDINGS, QUEEN VICTORIA STREET, E. C.,
London, October 1, 1872.

The directors, in sending the inclosed warrant for the eleventh monthly dividen beg to annex the following ore-account, which is most satisfactory:

	Te
Stated in last circular	6,7
Raised during the month	1,7
	8,5
Sold at mine	1,5
Shipped from New York:	
Calabria	1
Hermann	
Breman	
Abyssinia	
At railway-depot	5
At the mine	2

The chairman, G. Anderson, esq., M. P., has arrived at the mine, but there has n yet been time to receive any letter from him. He, however, telegraphed on the 20 'Mine going splendidly; steady sale here;" and on the 25th, "Visit to mine high satisfactory; been through all but deepest level; great wealth beyond possible doub ore everywhere; management energetic and thoroughly reliable."

It will be seen from the above ore-account that over 1,700 tons have been sold at t mine since the directors sanctioned sales on the spot.

By order.

W. H. TOOKE, *Secretary*

EMMA SILVER MINING COMPANY, LIMITED.

VICTORIA BUILDINGS, QUEEN VICTORIA STREET, E. C.,
London, November 1, 1872

The directors herewith inclose the twelfth interim monthly dividend, and beg annex the ore-account:

	Te
Stated in last circular	8,
Raised during month	1,
	10,
Sold at mine	1,
Shipped from New York, per Calabria	
At railway-depot	
At the mine	

Mr. Anderson informs us that he has again visited the mine, and been in the deep level. He found the vein large and very promising, and states that we might expect rich ore in a few weeks.

The board are not yet in possession of any definite information respecting the suit against the Illinois company, which is now pending.

By order.

W. H. TOOKE, *Secretary*.

At the second visit I went with Mr. Lyon myself for the purpose of advising with regard to the developments of the mine. I had complained very much that they were neglecting to sink a working-shaft. They had "gophered" round on the surface, and commenced to take the ground and sink down here and there, and I advised the sinking of a main working-shaft, and then to run levels off in the usual way, in order to open the mine. I went up to the mine on that occasion with Mr. Anderson, and went into the deepest levels. This was on the 1st of November, and I was in the bottom of the mine with him and it looked exceedingly promising. A short time after that, however, they came to this fault in the mine that has been spoken of, which would have amounted to nothing had they gone on and sunk it as they did in the other mines adjoining. That is the occasion of all this trouble. So far as the business transaction was concerned, this would have been a success had it been worked in the usual way.

By Mr. SPRINGER:

Q. Was that at the time the dispatch was sent from Williams, Hussey, & Silliman?—A. O, no; this was in November; the 1st of November, 1872.

By Mr. FORNEY:

Q. Three months after it caved in?—A. More than three months; that was in May or June, and this was the 1st of November.

By Mr. HEWITT:

Q. You say that they did not sink shafts and properly develop the mine. Did not all the workings that you saw there rather tend to show great quantities of ore, as though they were running into the ore that was round about, so as to make a great display of ore?—A. No; it did not look to me that way.

Q. Was there a great display of ore?—A. There was a great deal of ore in sight.

Q. And these cuttings that they had been making, were they not always in ore?—A. O, not entirely; they would run to the walls on either side and run down to barren ground.

Q. But you, yourself, now say that they had not worked the mine with any view to development in the future, but rather to show the quantity of ore that was in sight.—A. No, not to show it; to get it as fast as they could, without regard to the future. But I complained to Mr. Anderson. I spent a good deal of time, in 1872, telling him that if they were going to continue dividends on this mine they must sink shafts and have the floors open. I went with him for that purpose. I had gone back to Nevada, and I came clear back, as I had promised to go with Mr. Anderson to the mine; and I told him what I thought about the thing.

Q. Was that the first time you were ever in the mine?—A. No; I had been in the mine three or four times before that.

Q. Were you ever in the mine before it caved?—A. Yes; I was in the mine before it caved.

Q. After it caved?—A. There had been a cave in the winter or spring.

Q. I mean the one in June; there was a cave in June.—A. No; I was in before it caved then. The first time I was in the mine was the last of February, 1872, when I came back.

Q. That was before the cave?—A. That was before the cave.

Q. But, up to February, that is to say, after the company was launched and in operation, you had never been in the mine?—A. I had never been in the mine; no. When I left Salt Lake, this business was not settled; they were hostile, and they would not let me go in; I had had no opportunity to go in; I had taken the means to get this survey and the report from these gentlemen, but I was not allowed to go in. I went there in February, and I was in there again during the litigation in the summer two or three times; I went up when the party went there to examine the mine, as I have testified, with a view to the Illinois injunction suit; I was in there two days; went through the mine pretty carefully. Then, again, I was there with Mr. Anderson. Mr. Stanley was out there the second time I was in; Mr. Brydges-Willyams (an English director) was in with me the first time. I did not go in with Mr. Stanley. He went in a day or two before we did, as he said he wanted to take a view first.

Q. Was this at the period when the Illinois-tunnel suit was going on?—A. Yes.

Q. Was it settled there at that time?—A. No; not when Stanley was there.

Q. But it was settled finally?—A. Stanley left before we got the decision of the judge on the injunction motion.

Q. Then you got an injunction against the Illinois Tunnel Company?—A. Then we got an injunction.

Q. Then you settled with them?—A. Then the case was set for trial in October; Mr. Anderson and Mr. Park effected a settlement.

Q. What did they pay the Illinois-tunnel people?—A. They paid for the tunnel and the adverse claims that we bought; I think that they paid about $100,000; that is my recollection.

Q. Who bought it?—A. I think the money was advanced, in the first instance, by Mr. Park.

Q. But who actually paid it? To whom was it charged? In other words, was it the Emma Mining Company that paid it?—A. It was the Emma Mining Company.

Q. It was not the vendors who paid the $100,000?—A. No.

Q. Or the company?—A. The company; that is in litigation now. They are having a suit about it, I believe. They gave their notes for it, and now they have sued Park for $5,000,000, and they ask most everything in the complaint, and I believe, among other things, demand that he shall give that up.

Q. When you sold the mine to the Emma Mining Company did you understand it included the mining rights, afterward claimed by the Illinois Tunnel Company, or not?—A. The sale was made and they were having it examined. When I left London there was no money to be paid over until the title to it was passed, and it was being examined. It was ascertained that there was a suit pending, or it was alleged that the California company had a suit pending, against the company, which, however, was cut off under the law, by the patent, they not having put in a protest, as required by the law. Mr. Park gave his personal guarantee and bond, warranting the title against any suits that were then pending, as I recollect. Then, when I met Mr. Park in June in New York, and he requested me to go with him, and I did go, to Salt Lake to *defend these* suits, he made this remark, which was true. He said,

This Illinois-tunnel business does not come within my guarantee at l, because it is a mere naked trespass; they have gone in there as espassers; but inasmuch as we have sold the mine to these parties ho owned the Illinois tunnel, (Chisholm and others were owners the Emma at the time the sale was made,) and these people have id a fair price for the mine, I feel bound to go and defend that suit, d give my personal attention to it, and I want you to help me." Said "Most certainly; I will give my summer's work to it." Then this ttlement that was made included the Illinois and some other conflict- g claims. I do not recollect the full extent of them.

Q. Mr. Park said that the Illinois tunnel was a trespass?—A. Yes.

Q. And you thought it was a trespass?—A. I knew it was.

Q. And yet you paid $100,000 for what you both regarded as a tres- ss?—A. Well, we got the tunnel.

Q. I understand that you got the tunnel, but did you regard it as a r payment for the tunnel; did the tunnel cost $100,000?—A. It was re than the tunnel was worth, and Mr. Anderson said this: that he ought very highly of the property; he thought they had a large and od property, and that the English people did not want to take any ances on litigation; that litigation in Utah was a very peculiar thing. hould hate to explain fully the difficulties about getting juries there. . Anderson was very much afraid of the Mormon juries; he did not ow but what it might injure this property. He said he had heard a od deal about American juries, but he had heard more about Mor- n juries—and so we all had.

Q. What I want to arrive at is, did you regard this property claimed the Illinois Tunnel Company as part of the property conveyed to the mma Mining Company?—A. Certainly.

Q. Then, if they put the tunnel on your property, the Emma Mining mpany owned it, and not the Illinois Tunnel Company?—A. Not the nnel outside.

Q. Did they not own the tunnel so far as it was upon the property of e Emma Mine?—A. O, yes; but that would not be of any value. n want the tunnel to run through.

Mr. HEWITT. As a miner, allow me to remark that it would have lue, for they could not remove it, after they had let the air in there; would have enormous value, and that was one of the views which ey took at the time. I remember that very well. It would have been elp to the Emma Mining Company.

The WITNESS. It would have a value in ventilating the mine; that true. Another thing: the tunnel was middling expensive work, and ould be used for taking out ore in connection with the mine.

Q. Did not you think that this $100,000 was an unnecessary payment property which you already owned?—A. No; I did not.

Q. How much of it did you think was unnecessary? How much was tunnel worth?—A. Well, I thought it was a very prudent thing to on Mr. Anderson's part.

Q. But did you not understand that the vendors had already con- ed this property upon which the tunnel was constructed to the Em- Mining Company?—A. I did.

Q. How could it be prudent to pay $100,000 for a thing already ned? I can understand that the stock was in litigation, and that it ld affect the stock-market; but was it prudent with reference to the ue of the mine, or, rather, was it not prudent with reference to the ue of the stock in the market?—A. It was prudent with reference to interest of the company generally. I should think likely it would

have some effect on the stock, and Mr. Anderson was timid about trusting their matters to a jury out there. The tunnel was of some value. It ended the litigation. Litigation in Utah is expensive. It was very doubtful how a jury there might do, there is so much prejudice between the Gentiles and the Mormons. We did not know what kind of a jury could be got to try that case.

Q. Do you remember what was the effect on the stock-market? Did the stock go up or down after the settlement of that case?—A. I do not recollect what was the effect on the stock-market at that time. I was not paying attention to the stock.

By Mr. PACKER:

Q. I would like to inquire whether the mouth of this tunnel was upon the property of the Emma Mining Company or upon the land belonging to the Illinois Tunnel Company?—A. It was on the public land. The tunnel belonged to the Illinois Company.

Q. Then, without an ownership of that tunnel, you would not have been able to keep it open, would you?—A. O, no.

By Mr. HEWITT:

Q. You would not have been able to keep the Emma Mine open?—A. No, the tunnel.

Q. It was on the public lands of the United States?—A. Yes; but it belonged to them. It did not commence on the land of the Emma Mining Company.

Q. But the end of it was on the land of the Emma Mining Company?—A. Yes.

Q. And the opening had been made?—A. Yes.

By Mr. WILLIAMS:

Q. What distance did it run on the public lands, and what distance on the land of the Emma Mining Company?—A. It ran several hundred feet on the public lands, and ran into the Emma Mining Company's.

Q. How far into the Emma Mine?—A. Well, it ran into the body of ore, and they undertook to claim the main body of ore.

Q. I mean what distance?—A. The vein there—vein and ore—where it ran across, I suppose, is about 60 or 70 feet; that would be considered as in the wall, the brecciated limestone, ore, &c., between the casings of the vein.

By Mr. MONROE:

Q. Do I understand you that the place where the Illinois tunnel struck your ore was below where you had been previously working?—A. No, not below; it was right into the works.

Q. On the same level, but beyond where you worked?—A. It struck to the northwest, the northwest end.

Q. But it ran into your chambers?—A. It struck the body of the ore at the northwest, and then it followed around and went into the same chambers, and drove some of our men out.

By Mr. PACKER:

Q. The point at which the tunnel entered the Emma Mining Company's land was how far beneath the surface?—A. I suppose, perhaps, 200 feet; I cannot tell exactly.

Q. Then, to have made any use of it as a means of ventilation for the mine, it would have been necessary to sink an air-shaft into it?—A. Yes; but it was not worth any $100,000 for the purpose of ventilation.

By Mr. HEWITT:

he Emma Company also had already a tunnel?—A. Yes; from er side of the hill. Now, in settling a lawsuit in Utah where s a very valuable property—as Mr. Anderson and all of us re- this at that time—people, rather than go on with a litigation, en pay more than anything that they buy is worth, as everybody who is familiar with that business. Had it been in Nevada or nia, or any place where the courts are regularly organized, I not have listened or consented to any settlement at all, because ras no merit in the Illinois claim. The old superintendent of the Company was superintendent of the other at the same time, run- ıe two in. He knew perfectly well where the bodies of ore were, ıs thoroughly posted about running into them; and after this sale ıde, they went right into the chambers, and drove the Emma ny out. I did not see any excuse for the Illinois Company doing

understood you to say that Mr. Park gave a bond or warrantee, was not a general warrantee of title, only a special warrantee. ıat it?—A. I think that was it.

ı other words, he sold this property for a million pounds sterling, ı warrantee was so drawn as not to cover the claims which might le against the company?—A. Not that. It is all in writing.

only asked the question whether it was broad enough to cover standing claims against this property, or whether it was so as only to cover some suit that had already been commenced?— ıve seen it in print somewhere, but I have not seen the original t.

ou, yourself, said just now, that Mr. Park told you that he did ısider that his warrantee covered this operation of the Illinois Tun- npany?—A. The warrantee of title did not guarantee against a ser. A man might warrant a title, but that might not be a war- against naked trespass. I suppose if I should sell you a farm re you a warrantee deed, it would not be a warrantee against a erson coming into your house and driving you out.

ut had this Illinois Tunnel Company set up any claim prior to A. I never had heard of any.

Vere they not making their tunnel at the time of this sale?—A. ere running one, but it went under the hill. By the laws, you ld but one lode, and they pretended that they had a location ıp in the hill, back. They were going for that.

hen it was a pure act of good nature on the part of Mr. Park in to defend the suit, and there was no obligation on your part o defend it?—A. Not to defend the suit. I did not say that it ure act of good nature.

id you recognize any obligation?—A. No legal obligation; no,

ut it was a moral obligation?—A. Yes, sir; I thought that we to go and help these people.

ou thought it was a moral obligation?—A. Yes.

hy?—A. Because the property had been sold, and some of the per- ho had received the purchase-money had gone in while the own- e in England. We knew about it, and I thought we ought to go nd defend the property.

hey had paid a very large price?—A. They had paid a good price. nd as somebody ought to help them out of this scrape, the vend- e the proper persons?—A. I won't say that. I did not want

the company to get into trouble; I wanted it to be a success. I had been connected with its sale, and here was a violent trespass upon the property; people going right into the same place and taking out the ore, and I felt more or less responsible to go there and see fair play.

Q. Had all the reserved stock then been allotted to the public?—A. I think it had.

Q. Had the nine months from the time of the sale expired?—A. The record will show, when you get that. But it was ascertained that it was necessary, in order to have the stock put upon the board, that more stock should be sold; that by the rules of the Stock Exchange you could not have qotations on the board until——

Q. Until eight thousand and some shares were sold?—A. Until more were sold.

Q. There were twenty-five thousand shares locked up, were there not? Eight thousand five hundred shares were required to be put upon the Stock Exchange. Where were the remaining seventeen thousand shares?—A. The most of them had been sold.

Q. Therefore, the obligation to tie up the stock was remitted or released, was it?—A. Some other arrangement was made by Mr. Park. I know I testified yesterday with regard to this contract with Albert Grant, but it had almost passed out of my mind. I find my name is subscribed to it. I assented to this contract. It was gotten up between Mr. Park and Albert Grant. It will now show for itself.

The following is the contract:

Memorandum of an agreement made the second day of November, one thousand eight hundred and seventy-one, between the honorable Trenor William Park, of Vermont, and honorable William M. Stewart, of Nevada, (part owners of the Emma Mine, and acting under full authority from all the other owners,) hereinafter called the vendors, of the one part, and Messrs. Grant & Company, of No. 18 Old Broad street, in the city of London, bankers, of the other part, whereby it is agreed as follows:

1. The vendors shall sell the Emma Mine, situate in Utah, U. S. A., together with all the improvements and the fixtures, saw-mill, all the appurtenances, rights, and privileges now held, used, and enjoyed therewith as a mine in operation, and, together with all the ore in hand, and forty-six thousand three hundred pounds in cash, to a joint-stock company to be formed by Messrs. Grant & Company for the purchase of the property.

2. The price to be paid for the said purchase shall be the sum of one million pounds, one-half thereof to be paid in cash at the date mentioned in the prospectus for the payment of the installment, and upon the said mine, property, ore, cash, and appurtenances being duly transferred to and absolutely vested in the said company, and the remaining half of the said purchase-money to be paid in fully paid-up shares of the said company.

3. This share-capital of the company shall be offered to the public for subscription to the amount of five hundred thousand pounds, at the expense of Messrs. Grant & Company, and Messrs. Grant & Company shall be entitled to receive, and be paid by the vendors, twenty per cent. of the amount of the capital of the company, which may be allotted and taken up after deducting the amount of any shares which may have been and are repurchased.

4. All the fully paid-up shares, to which the vendors shall be entitled as part of the said purchase-money, as also all shares which may remain of the five hundred thousand pounds offered to the public, and which shall not be taken up, including all shares which may have been repurchased, shall be deposited with Mr. J. H. Puleston, of the firm of Messrs. Jay Cooke, McCulloch & Co., for the period of six months from the allotment of shares in the said company, during which period Messrs. Grant & Company are to have the option of taking up any of the shares which may be left of the portion of the capital offered to the public, the price at which Messrs. Grant & Company are to take the said shares to be at a discount of twenty per cent. upon the price of issue.

5. The vendors are to be at liberty, at any time during the said period of six months upon giving to Messrs. Grant & Company fifteen days' previous notice, to require Messrs. Grant & Company to take up, in accordance with the option reserved to them the shares for the time being remaining unallotted of the five hundred thousand pounds capital to be offered to the public, and in case of the refusal of Messrs. Grant & Company to exercise the said option, the vendors may themselves, within fifteen

days after the expiration of the said notice, take up the said shares, and shall thereupon pay Messrs. Grant & Company twenty per cent. upon the nominal amount thereof as their remuneration; but failing the payment to Messrs. Grant & Company of the said twenty per cent., the said option shall remain in force as if no such notice had been given.

6. Messrs. Grant & Company shall at any time or from time to time before the expiration of nine months from the date of the allotment of shares in the said company, have the option of taking at par (in addition to the shares in respect of which an option is given to them by clause 4 of this agreement) such further shares as they may think proper of the share-capital allotted to the vendors, but not exceeding in the whole £250,000, making a total of £750,000, and in that case the vendors shall be entitled to receive the par value of such shares as Messrs. Grant & Company may take up in pursuance of this option, and also receive in addition one-half of the net profits which may be realized by the sale of all or any of the £250,000 shares.

7. In case, during the said period of nine months, the vendors should find actual purchasers at the price of 20 per cent. premium or upward for the £250,000 of shares which Messrs. Grant & Company are to have the option of taking as aforesaid, or any part thereof, then Messrs. Grant & Company shall, if required by the vendors, assent to the sale thereof to such purchaser, unless Messrs. Grant & Company can themselves dispose of them or elect to take them at the same or at a higher price, such 20 per cent. or higher price to be divided between the vendors and Messrs. Grant & Company, as provided for in clause 6, and so soon as the whole of the shares which Messrs. Grant & Company are to have the option of taking under this agreement are disposed of, then the remaining £250,000 vendors' shares may be released from their said deposit with Mr. J. H. Puleston, of the firm of Messrs. J. Cook, McCulloch & Company.

8. Messrs. Grant & Company shall keep a correct account of all expenses of bringing out and forming the company and issuing the shares thereof, and sustaining the market, and the vendors shall be entitled, by way of rebate, to one-sixth of the net profits realized by Messrs. Grant & Company; or, at Messrs. Grant & Company's option, they may pay to the vendors £10,000, instead of such sixth of the said net profits, in satisfaction of all claim in respect thereof; and in that case it shall not be necessary for Messrs. Grant & Company to render any account whatever.

As witness the hands of the said parties the day and year first above written.

TRENOR W. PARK.
WM. M. STEWART.
GRANT & CO.

Witness:
JAS. ANDREW,
1 *Charles Street, Cavendish Square, London.*

It is hereby further declared, that the vendors hereby authorize Messrs. Grant & Company to purchase, for and on account of the vendors, such number of shares as Messieurs Grant & Company may, in their absolute discretion, think desirable to purchase with the view to a successful issue of the stock, and all shares so purchased shall be taken up and paid for by the vendors at par, upon the day which may be fixed by the committee of the London Stock Exchange as a special settling-day for transactions in the said shares; but the vendors shall not be liable to pay or provide for any premium at which the said shares may be so purchased as aforesaid, and no commission shall be paid to Messrs. Grant & Company thereon until the same shall be taken up out of the hands of Mr. J. H. Puleston, in pursuance of the provisions of the above-written agreement.

Q. Did you at any time in the course of the litigation have occasion to investigate the net amount of proceeds of this mine in the hands of the original owners, before this sale to Messrs. Park, Baxter, &c., was made?

The WITNESS. In the course of which litigation?

Mr. HEWITT. In any litigation that you ever had in this business prior to the sale of the mine in London. Did you know anything about the amount of ore which had been taken out by the owners of the Emma Mine?

The WITNESS. Do I now know the amount?

Q. The value; I want to know whether you ever investigated and ascertained the value of the ore taken out of the Emma Mine prior to the sale to the Emma Mining Company of London?—A. I have known but I cannot state that accurately.

Q. You did know?—A. I have heard; yes.

Q. Did you know the amount, of your own knowledge, by any investigation, or was it mere hearsay?—A. I have examined some witnesses and taken depositions in this other suit, who testified as to the amount.

Q. Did you know the amount taken out by Park and Baxter during the time they owned the mine; that is, between the contract of purchase from the original owners and the time of sale in London? Did you know the amount of ore taken out of the mine in that interval?—A. That has been given in evidence. I examined witnesses as to that; I cannot remember those amounts.

Q. At the time of the sale did you know?—A. O, I had then the accounts; I saw the accounts which Mr. Park had with Bath & Son and with Lewis & Son. That was the extent of my information.

Q. But you had no knowledge outside of the accounts which Mr. Park showed you?—A. That is all. Those accounts have been published.

Q. Did you know anything of the value of the ore on hand at the mine at the time of that sale—did you have any personal knowledge?—A. No; I had no means of knowing.

Q. If you will turn to the prospectus which you issued in commo with Mr. Park and the other directors, you will find a statement that the amount realized before the vendors took possession was £163,665, on a total of 4,311 tons. Did you verify that yourself, by any examination, or did you take Mr. Park's statement?—A. Mr. Park had the accounts of Lewis & Son in the first place, and then the directors had an accountant appointed before this prospectus was issued. There was an accounting in the first place. The prospectus was prepared and verified—an accountant verified the books of these two companies at their houses, and made a report upon them. That is undoubtedly exactly correct.

Q. Do you know now whether that statement, that there had been 4,311 tons taken out, has proved to be true, or whether it is false? Is it a fact that there was that amount, worth £160,000, taken out of the mine?—A. I think that is all correct; I never heard that questioned at all.

Q. Now as to the vendors; there is a statement following of the amount taken out in four months, which sums up £298,438. Did you personally investigate that statement to ascertain its truth?—A. That 2,800 tons of ore was taken from Professor Silliman's report; I had no means of making an investigation of that.

Q. And you did not know whether that was true or not?—A. I supposed at that time, and had no doubt of it, that the report was true.

Q. But you did not know it of your own knowledge? It is further stated here: "On hand for smelting, for account of this company, second-class ore, 6,000 tons; estimated proceeds, £60,000."—A. That was the estimate made by Professor Silliman. I had no doubt of its correctness at the time.

Q. Do you know whether this sum of £166,400 was realized or not from these two items, the 2,800 tons "*en route* for England" and "6,000 tons of second-class ore on hand for smelting?"—A. The 2,800 tons fell short some, but I will explain with regard to that. At the time when Professor Silliman's report came, Mr. Park did not know, and had some doubt about there being as much as 2,800 tons. He so stated to the directors; but he said that, as Professor Silliman had probably got it correctly, if it fell short he would make it up. And it did fall short, and the amount was made up by him.

Q. Did he say that before the issuing of the prospectus or afterward?—A. When he first saw the prospectus.

not tell the public; he told you that he would make it said that if it was not accurate he would make it up.
tal estimated net yield of the mine for four months is · at the rate of nearly £700,000 per annum. There is a the public that that amount would be produced from this suppose the 2,800 tons had not existed at all, and that he value of it, would not the public have been deceived as to the mine?—A. Yes.
Ir. Park stated, before the prospectus was issued, that he ve it was there, but that if it turned out short he would —A. Well, he supposed it would be about that amount. ıis figures, and it fell short.
ıt he was on his guard, and he and you left the public, ıtement, to suppose that there was 2,800 tons?—A. But it nted and put out. Mr. Park did not see it at the time that ıt.
ısked you just now whether it was before the prospectus had and you said yes.—A. It was after it had been printed, but w whether it had been sent out or not.
printed several times; this is marked "second edition."— entertain a doubt, and I do not think Mr. Park supposed repancy amounted to anything.
not amount to considerable?—A. It amounted to about

r. SPRINGER:

timated the annual yield of this mine from the actual re- current year, at $3,500,000, did you not?—A. I think we · what had been done in that particular length of time. It cipated, and this prospectus did not carry the idea that that continue.
, "Or at the rate of nearly £700,000 per annum."—A. That

at would be at the rate of $3,500,000 annually?—A. At vould be so; yes.

r. HEWITT:

ıduced the public to subscribe for the stock; of course they / were getting a good bargain?—A. Nobody supposed that s going to continue to yield at that rate. I supposed that ıe little sense about mines; we said that that was what had ıring the last four months.

r. SPRINGER:

id you state it in your prospectus, if you did not want peo- e it?—A. This prospectus was gotten up by the English- ves.

r. HEWITT:

ıe whole of that 2,800 tons, or so much as there was of it, during the four months, or was there a portion of it accu- ing the prior period while it belonged to the original own- s, was that the accumulation of four months, or was some ritance?—A. No; it was an accumulation at that time.
ıs it accumulated during the four months, or was some of it ım the prior period? It says, "Quantity of ore raised by vendors in four months."—A. O, yes; that was raised dur- months.

Q. Do you know whether Mr. Baxter ever reported to the Em Mining Company the sale of 1,000 tons of this second-class ore in Uta —A. I do not recollect about it.

Q. Do you remember that it subsequently transpired that he had r sold a thousand tons?—A. I do not recollect the circumstance.

Q. You do not recollect anything about it?—A. No; I do not no Mr. Baxter can undoubtedly explain, whatever it is.

Q. But you have no recollection upon the subject of Mr. Baxter ha ing reported the sale of a thousand tons of second-class ore?—A. I not now remember.

Q. In the prospectus I find the following: "*Property acquired.* 1. The Emma Mine; 2. The Emma Extension claim."—A. Let me te what the Emma Extension claim was. The patent was for 2,400 fee They had a location which belonged to the company of 600 feet beyor that, for which they had no patent. There was an extension that b longed to the same, and had been deeded to the company, but the app cation for the patent was only for 2,400 feet, and that was 600 feet mor

Q. Were you limited in making the application for the patent to 2,4 feet? I mean, were you necessarily limited by law?—A. At the tin the application was made this extension claim did not all belong to th Emma parties that made the application, as I understand the history it. They were interested in this 600 feet of extension, and there we some other parties interested, and in making the application they on made it for 2,400 feet, until their interests were joined; and after th application was made they bought the others out, so that it all belong to the Emma Company. But the application having been made, an notice given, they went on and got the patent for so much as they we entitled to under the applications.

Q. And was it not necessary to get any patent for this Emma Exte sion claim?—A. It was not necessary.

Q. And there never has been any controversy over this extensic claim?—A. No.

Q. That has always been free from litigation?—A. There has been r controversy or point made about it.

Q. The prospectus states that the net profits on this mine we £163,000 and £231,000, the total being about £400,000, making abo $2,000,000 as the profit to the prior owners. Was that true or no Did the prior owners actually make $2,000,000, or the exact sum whi this foots up, out of this mine?—A. Well, no. Here you will see th the 2,800 tons was to go to the vendees, so that that could not be r garded as profit. Then there was £46,300 on hand from these sal That went in the sale, and could not be counted as profits.

Q. But it is not included in this statement. By this statement it a pears that the amount realized up to this time, in round numbers, w £400,000.—A. That is the amount taken out of the mine, but——

Q. Was it true—that is what I want to arrive at—that the amou taken out of the mine, or, as it is stated here, the amount realized to that date, was $2,000,000, or about £400,000?—A. They had not re ized it. The ore that was on hand was to be sold; that is, it was to co out of the mine; they had not yet divided it; they had not got it. A cording to this very prospectus, that is what was to be turned ov Here was the 2,800 tons, which was estimated as the ore on hand, b it fell short a little. Thus Professor Silliman's estimate for the secor class ore that was to be turned over was worth about £46,000. Y wanted to know if they had taken and divided that much. Of cour *all those* matters must be deducted.

Q. You sign a prospectus in which you give out to the public that there had been realized—whether in ore or money or anything else—up to the date of this sale, about £400,000. Was that true or was it not true? I do not care in what shape it was; whether in notes or bank account or anything else.—A. Substantially true, with the explanation I have made about it. It shows here that the statement of the second-class ore was an estimate, and the 2,800 tons fell short; but the statement taken from the accounts there was undoubtedly accurate. The others were estimates.

Q. You say that part of it was in second-class ore, which was not realized, and part of it was in other ore, which was on its way to England, "2,800 tons of first-class ore now being forwarded to England, and 8,000 tons of second-class ore." As I understand that, it did not turn out to be anything like the value stated.—A. You are very familiar with it. I think I can explain the reason why that did not produce much of anything. They turned a head of water on it, and washed it down into the cañon; and I propose to produce men here to show that they made a very rich cañon by washing off that second-class ore—by sluicing it away.

Q. Who did that?—A. These English managers—Mr. Atwood. A most wasteful management of it.

Q. Were you there when it was done?—A. No. I have been there since it was done, and I say I can produce witnesses to show that it was very scandalously done.

By Mr. SPRINGER:

Q. Who was Mr. Atwood?—A. He was the man who refused to open up that mine.

By Mr. HEWITT:

Q. You said there was £46,300 in the hands of the banker?—A. I always understood it was there.

Q. Was it not put there by Mr. Park? I mean, did not Mr. Park, without reference to the profits of this mine, deposit with Jay Cooke, McCulloch & Co. £46,300?—A. Every dollar that he deposited there was part of the proceeds of sales, as I always understood from Mr. Park, and as I believed. Of course I did not see the transaction. Mr. Park will be here and will state exactly how it was.

Q. That the £46,300 was the fruit of sales of ore and of nothing else?—A. If it was, it is something new to me, and I never believed it was.

Q. And you do not believe it was?—A. I do not believe it was. I believe it is just as stated here in the prospectus.

Q. At the time of this sale of Park, Baxter & Co. what was the condition of the Emma Mining Company of New York? Was it a prosperous corporation or otherwise?—A. At the time the sale was made over there?

Q. Yes.—A. Why, it was a prosperous corporation.

Q. Was it making money out of this mine?—A. Yes.

Q. They were the parties who had it during these four months?—A. Yes.

Q. And they were the parties, therefore, who supposed they had these 2,800 tons of ore which did not really exist?—A. Well, the ore did not hold out on measurement.

Q. And they were the ones who then were a prosperous corporation?—A. Yes.

Q. I come back to the question I asked you yesterday: When this

property was sold in London for $100 per share, and those people were a prosperous corporation, how did it happen that they were willing to take $50 per share for it?—A. I am very glad you asked me that question. In the first place, of course the stock was all in together, and their *pro rata* portion of the expenses must first be deducted from that; so they did not have that much stock free from charge. What they put down then was the original amount of stock without deducting any, supposing it had remained unsold. All the expenses and charges had to come out. That was the first thing; but I did not believe, as I tell you, when I went there, that they would do it. I had not much faith in effecting this when the contingent arrangement was made with Mr. Lyon. But they did do it, and the same parties—Chisholm and others—immediately ran the Illinois tunnel in and took possession of this ground. That is, they did not all participate in it; the Walker Bros. did not participate in it; but of course the Walker Bros. knew what was being done. They were posted about it, I think, but I do not think they approved of it. I think they knew about it before this thing was done. There was a man by the name of Matthews (and who has made affidavits) who made some of these parties believe that there were two mines there altogether. If I had the maps I could explain it. They were in a very large body of ore when Mr. Matthews was running, and he was running his Illinois tunnel in one direction, and he found a little seam of brecciated limestone in a part of the mine where he was. He inferred from that that they could make a division of it. Some of the parties owning the Emma Mine owned the Illinois tunnel. Well, Matthews had been turned off by Park, and, as I have already stated, he was superintendent of both companies. He and two or three of the others—and I think in good faith—thought there were two mines. In the mean time, the Emma company had run right out into this next body of ore. Matthews insisted that there was a separation, and some of them believed in good faith—I do not think they all did, though—that there was another mine bigger than the Emma, and that in case they took that the Emma would not have much left. So they sold their interest in the Emma, not willing to have the stock, knowing that the stock had not been put on the market, and that it was liable under this contract to remain undisposed of for nine months. In the mean time, they wanted to go in there, and they supposed when they went into this body of ore which the Emma had not entered upon, that it injured the stock when known. I infer that was the reason they wanted to get out of it.

Q. As soon as that was done, or shortly afterward, this remaining stock was released? It did not wait for nine months?—A. It did not wait for nine months.

Q. It was released as soon as they sold it?—A. No.

Q. Well, shortly after?—A. The board petitioned to have more put on the market some months afterward. It was not represented to them that it was necessarily tied up for nine months. They did not ask me much about it; they got their information mostly from Mr. Baxter. I had been litigating with them, and they had had very little to say to me. They were treating with me at arm's length, and as I had been Lyon's attorney they were not friendly with me.

Q. But the stock was then quoted in London at a premium?—A. Yes.

Q. Did you make any reports to them as to the fact of the deductions that would have to be made from the stock?—A. No; I simply said that there would be large commissions to come out of it.

Q. Very large?—A. Well, I told them they would be pretty large.

you tell them that a very considerable part of the $2,500,000
expended?—A. O, no.
you tell them that the premium in London was being main-
the operations of Albert Grant and Mr. Park buying the
he market?—A. I do not think I made a statement of that

you know anybody by the name of Joslyn who was one of the
the New York Emma Mining Company?—A. Yes.
you make such representations to him?—A. I do not recollect

Mr. Baxter sell his stock to Park?—A. I do not know the
etween Baxter and Park; they were understood there by all
be partners. In conversation there I was very much im-
th the sleight-of-hand way they had in the board of bulling
g the stock. I might have made some remark generally, such
made to the committee here, with regard to the way they did
l to Mr. Joslyn, from which he might have inferred what you

Mr. SPRINGER:
you say that you knew Mr. Joslyn?—A. I met him.
re did you meet him?—A. I think I met him in New York on
on.
you meet him in Salt Lake at any time?—A. Yes.
he there to argue one of the cases involving this question in
in Utah?—A. Yes; I heard him make a speech there.
t time was that?—A. That was in June or July, 1872.
he, in that speech, state that money had been used to float
in Europe—to put it upon the market?—A. I do not recol-
he said. Joslyn is a very "slashing" kind of western speaker;
great manythings; and I think he pitched into everybody
pretty lively. Any such remark as that escapes my memory;
ld say most anything, because he takes the widest liberty of
lawyer and will say anything he pleases. I think he can say
re extravagant things than any man I ever knew, and say them
redly.
not worthy of belief as a gentleman?—A. Well, I would not
e required to say I would believe everything he would say
as making a stump-speech.
he make a stump-speech in that law-argument?—A. Well, had
him you would have thought it was a pretty lively thing.
he state what was your connection with the Emma Mining
in London at that time?—A. I think not.
he state that you had used money there to buy up influence
is Emma Mining Company in London?—A. I cannot state
. He blackguarded us considerably and made a very funny
d pretended that they had got the mine. He was arguing
theory that they had got all the mine and that we had been
ng that we had a mine when we had none. He was one of the
cted in the settlement, but he then went right out there and
at we had sold nothing, because we had nothing to sell, in
He contended that it was an enormous mine, but that we had
he English people by pretending we owned it when we did not,
ur claim was all a sham and humbug. His speech eulogized
xtravagantly, but he blackguarded us for having sold nothing.
uld hear him speak you can appreciate him; you can never

fully appreciate that sort of thing unless you send for Joslyn. He a clever fellow, a very smart fellow, and says a good many humor things.

By Mr. HEWITT:

Q. Were you introduced to Mr. Fisher, or did he introduce himsel you?—A. He introduced himself to me.

Q. Did you frequently meet him in London after that introduction A. I could not say frequently; I met him four or five times.

Q. Did you meet him socially, or at a private house, or in the wa business only?—A. I met him socially. He was a very social kin person.

Q. Did you meet him at General Schenck's?—A. I do not remer that I did.

Q. Then you do not know whether or not intimate social relat existed between him and General Schenck?—A. I do not know of special intimacy; I think I have seen them together.

Q. Did General Schenck make any request of you, or of Mr. Par your knowledge, in regard to Mr. Fisher?—A. I do not know anyt about it of my own knowledge. Mr. Fisher was keeping house then he called around soon after; called at our rooms, and called witl wife, and made himself very agreeable.

Q. He introduced you to Coates and Hankey?—A. Yes.

Q. You have testified already a little about your ownership of st How did you procure the stock which qualified you to be a direc Did you pay for it?—A. I do not recollect how that was arranged.

Q. You do not remember having paid for it?—A. I did not rec anything from it, either.

Q. And you never paid anything?—A. Nor received anything:

Q. Therefore, you were not really the owner of that stock?—A. W ever stock stood in my name; I do not know how it was put there.

Q. But when a man never pays for stock, and never takes any dends on it, it is a fair inference that he does not own it?—A. I dic own it; no; that is, the stock. I was interested in the reserve s that was kept back, and that would qualify me.

Q. But you were interested in the reserved stock as Mr. Ly attorney?—A. Yes, all the time from the beginning. I was intere in the stock on hand; it was not issued to me; it was kept out.

Q. But you had no other interest than that?—A. No; I do not k how they arranged it. Perhaps they put some stock in my nan qualify me. Whether the fact that I owned it without having it s in my name qualified me I do not know, but I was interested all time in the reserved stock.

Q. As to the reserved stock or any stock that you got under the tract with Mr. Lyon, did you intend to retain that as a perma holder? What was your idea as to the stock when you got it?— thought I would hold some of it, and expected to have it.

Q. Did you intend to hold it permanently?—A. No, not very pe nently.

Q. Won't you look at Mr. Park's letter to the Emma Silver Mi Company, dated April 22, 1872, in which this clause occurs: " General Baxter and Mr. Stewart are large owners in the shares subject to any contract with me or any one else, which they inter hold permanently. No one has a higher appreciation of the pro than they have." Is it true that you intended to hold that stock manently?—A. I do not think I did have an intention to hold it pe

nently, but what he says about my having a high opinion of it is true. I should have changed my opinion very quickly if I had seen how they were managing the mine. Had it been under American management I would like to have had that stock at the rate of $5,000,000, and would now, if it were organized in San Francisco, be very glad to hold it at that.

Q. You had already at this time bought out Mr. Lyon's interest, as matter of fact, as far as that assignment is concerned?—A. Yes.

Q. But you had previously stated that you told Mr. Park that he might have the benefit of that assignment of Mr. Lyon's interest, had you not?—A. I went to Mr. Park and tried to get him to advance money on it.

Q. But after you had got it?—A. No.

Q. Then Mr. Park had no interest in that property?—A. There was nothing more said. No; he had no interest.

Q. You stated, as I understand, that you told Mr. Park that he might have it, and Mr. Park said he would deal fairly with you?—A. No; I did not state that. I stated this: That I went to Mr. Park in order to satisfy Lyon. Lyon wanted to get money immediately, as I have told you, and I wanted to satisfy him. He would not consent to have one-third of it deposited and go on with the litigation, but he wanted me to buy him out. I have related the other circumstances already.

Q. At the date of this letter, on the 22d of April, 1872, as there was no stock standing in your name on the books of the company, except your qualifying shares, who was then the owner of this stock?—A. I was the owner of this stock then.

Q. Did it stand in your name?—A. No; but I was a large owner of stock then; that is true. After I went to New York and had the amount fixed, and he had my note for $150,000, and I had sent him that contract in that shape, that would leave the proceeds of the five thousand shares. I was holding that, of course.

Q. Had any of that been sold at that time?—A. I do not know what time the sales took place. Mr. Park was there.

Q. Was Mr. Park authorized to sell your stock?—A. Yes; to do anything he pleased with it.

Q. But you do not know whether he had sold it?—A. I do not know.

Q. Did you authorize him to state that you intended to hold it permanently?—A. There was never a word said about it.

Q. You authorized him to sell the stock, and you did not authorize him to say that you were going to hold it permanently?—A. There was nothing said about it.

Q. You authorized him to sell the stock, though?—A. Yes.

Q. And you never said anything about holding it permanently?—A. O, yes; there was always talk about holding a portion of it permanently. Mr. Park always said to me that he should always keep some of the stock.

Q. But what did you say to him?—A. That was when we were there. At that time I had not definitely got my interest fixed.

Q. That is my point. Did you authorize Mr. Park to say for you that you intended to hold it permanently?—A. Mr. Park and I had had no conversation on the subject.

Q. Then he had no authority, of course. Was there any clause in the contract made by the shareholders in New York that Mr. Park should remain in London and dispose of that interest?—A. I have testified about a good many papers three or four years old that I have not seen.

Q. That is material to this point. I desire to know whether Mr. Park

was to dispose of that interest, because your interest was included in that interest.—A. Well, I believe that he was authorized; the understanding was that he was to do it.

Q. That included your interest, of course?—A. O, yes; I would like to state that yesterday, when I was being examined as to the money that would be on hand on settlement-day, I said there might not be $1,500,000 on hand. In thinking about it more, I recollect a very substantial reason why that might not happen, because the subscriptions were to be paid in installments, and there might not be near that amount.

Q. I take it that in all your conversations you were referring to the amount that would be paid in by subscription in the end. It could not have been there on that day, generally, because they did not pay in full?—A. The settlement-day was right at hand, and my explanation to Mr. Lyon was that there was none on hand for him to get immediately. He was very impatient of any delay.

By Mr. BARNUM:

Q. I do not remember that you have stated whether there was any contract between you and Mr. Park, in regard to your interest in the Emma Mine, in any shape whatever.—A. No; no contract.

Q. When Mr. Lyon arrived in London, the contract with Grant & Co., and all the plans for placing this stock on the market, were completed?—A. Yes.

Q. Was the stock then subscribed for?—A. Yes; or the one-half.

Q. How long after that time was settlement-day, as you call it?—A. I think it was along about a week ahead. I left before settlement-day.

Q. You stated yesterday that you were there at the allotment of the stock?—A. I think I was there at the allotment of the stock. I did not participate in it. I think the stock was allotted before I left. I was at the meetings, but I did not know about the business of allotting it, and I did not know about the men.

Q. But you were one of the directors?—A. I was one of the directors.

Q. Did not the directors allot the stock?—A. The directors allotted the stock, but I was not one of the active business men. They knew the English people, and they made their allotment. They were good men, and they divided it up.

Q. Then the stock was actually subscribed for?—A. Yes.

Q. And the allotment was actually made before you left London?—A. Yes; I think it was.

Q. When Mr. Lyon arrived there you of course told him the expenses of placing this stock on the market. That was one of the contingencies.—A. I told him, of course, in a general way.

Q. You have stated that you did tell him that Grant was to have so much, and Jay Cooke, McCulloch & Co. to have so much.—A. Jay Cooke, McCulloch & Co. claimed this amount as a commission for their house, and there was a difficulty then pending with regard to it. I merely stated these as claims. Mr. Park will state to you just how he did settle with everybody, and what he did pay. This matter of Lewis & Son and the matter of Coates & Hankey were talked of, not as any charge against Mr. Lyon, but I was explaining to him the situation as well as I could, giving him all the information that I had, and advising him to stay there and take his option and take the money, which he declined to do.

Q. Did Mr. Lyon know that this stock was all subscribed for and

more too, and that the allotment was made before you purchased this stock of him?—A. Yes.

Q. When you purchased your stock of Lyon, he had as much knowledge of its value as you had?—A. I told him everything that I knew, as fully as I could. I did it for the purpose of discussing with him the subject of his taking this option or litigating. I advised him to stay there and take the moneyed option.

Q. He had all the information that you had with regard to the expenses which would have to come out of this, and what they would amount to?—A. He had all the information that I had, everything that I could give him. In respect to another matter I would like to correct my testimony of yesterday. When speaking of Grant's interest I was inaccurate in saying that Grant had any stock. Grant had a commission, a certain percentage by the contract.

Q. He was to have £100,000?—A. He was to have a commission. The contract shows what it was, and he was to pay all these expenses.

Q. Was there any arrangement between you and Mr. Park, when you left London, in regard to the purchase of stock by the American interest?—A. Mr. Park indicated what would be satisfactory to him, and drew up a skeleton contract.

Q. Was there any agreement between you and Mr. Park?—A. No; none except that he said if it was purchased, and they succeeded, he would do the fair thing by me.

Q. But no agreement?—A. No agreement.

Q. Was there any agreement what you were to pay for it—a limit?—A. I do not think there was a limit.

Q. In the purchase of this stock of Lyon, you say that Park at the time you purchased had no interest. There was no agreement about it?—A. No agreement further than I have stated, that I offered to let him have it, and he didn't make any reply, but put me off, and then made this other proposition.

Q. You came to America, and made a settlement of Lyon's interest by agreeing to take five thousand shares of that stock?—A. They agreed that five thousand shares should be turned over.

Q. And be Lyon's interest—A. Yes.

Q. What was done with that five thousand shares?—A. I signed the same contract that they did, agreeing to take from Mr. Park 50 per cent., the same as the others did.

Q. You sold out your interest to Mr. Park?—A. That is, I agreed to take that amount for it.

Q. Now, if Mr. Park was satisfied with the five thousand shares for the Lyon interest, then the five thousand shares belonged to you, you being the purchaser of Lyon's interest?—A. If Park agreed to it.

Q. Very well. Did he agree to it?—A. There was never a word said about that at all.

Q. Nothing said about that five thousand shares of stock, whether it was satisfactory or not? Do you mean that?—A. I mean to say just what I do say now; all that occurred between Mr. Park and myself. The others agreed, so far as they were concerned, that there might be five thousand shares set apart. Then I agreed with them that Mr. Park should have the commission on that, leaving fifty per cent. net to me; and sent that to Mr. Park.

Q. What commission?—A. That I would take fifty per cent. net on it.

Q. That is what I want to inquire about—how it happened that you sold your stock at fifty cents on the dollar, when you knew it was selling

at par.—A. O, Mr. Park had an interest in that five thousand shar
He had not consented that it should be that amount.

Q. But I understand you that when you left London you had no int
est in it, and that you offered it to him, and he did not take it.—A. Y
do not understand me. Lyon's contract was for one-eighth, if he accept
the option to take it.

Q. I understand you to say that when you left London there was
agreement between you and Mr. Park in relation to the Lyon interest.
A. No.

Q. You offered it to him, and he declined to take it. You purchas
of the American stockholders, and they on their part agreed that t
Lyon interest should be five thousand shares of stock. Now, I want
dispose of the matter of that five thousand shares of stock. You ma
the agreement in America, subject to the approval of Mr. Park, that
should be five thousand shares. I want to know if you ever got M
Park's consent that that should be the settlement.—A. There nev
was a word said about it.

Q. How did you dispose of the five thousand shares of stock witho
Mr. Park's consent to this division?—A. Will you let me state the fa
to you now?

Q. I don't ask for anything only how you disposed of it.—A. He d
posed of it.

Q. He sold the five thousand shares?—A. I suppose so, yes.

Q. What did he get for it?—A. I never asked him; I never knew.

Q. He sold stock that belonged to you, five thousand shares, witho
your ever knowing what he got for it? Do you mean that?—A. I me
that.

By Mr. SPRINGER:

Q. Did not you own that stock?—A. I have stated to you all t
facts.

Q. Did you own it, or not?—A. Yes, I owned the Lyon interest.

Q. You owned the five thousand shares, didn't you?—A. Well, n
I cannot say that. Mr. Park had not consented that it should be fi
thousand shares. It was not five thousand shares originally.

By Mr. HEWITT:

Q. You signed the contract for Mr. Park?—A. Yes.

Q. And yet Mr. Park had not consented, though you were his att
ney?—A. Mr. Park said that whatever they did over here would
agreeable to him.

By Mr. BARNUM:

Q. You say that after having procured the agreement that that int
est should be five thousand shares, Mr. Park never assented to t
settlement, or dissented from it, and that Mr. Park sold your stock, a
you do not know how much he got for it?—A. When Mr. Park came o
here, I fixed it so that I knew I was going to make some money o
when I got the five thousand shares. Then I made this assignment
Park. That left me $100,000 above what was to be paid to Lyon.
was cleared up in that way. If Mr. Park had not done anyth
better than that for me, I should have been satisfied with that, at t
time.

Q. I do not see any reason why he should not have paid you for y
stock when there was no agreement between you about it, and you a
ally owned it.—A. There was no agreement when I assigned this c
to him.

Q. But I am speaking of the transaction when you left London. You left there, and came to America to settle with the American stockholders and close up the American interest. You closed it up by receiving five thousand shares of stock, subject to the approval of Mr. Park. You say that Mr. Park never assented to that settlement, or dissented from it?—A. He never said a word about it.

Q. He had your five thousand shares of stock, and sold it, and I understand you to say you do not know what he got for it?—A. No; we never made a settlement.

Q. What do you suppose he got? What is your impression, as the market was from that time on?—A. Well, there were not five thousand shares of it. The expenses had to come out of that.

Q. But we will take out the expenses afterward. I want to know what you suppose it came to.—A. I suppose it went for about par, and that that is about what it came to.

By Mr. HEWITT:

Q. It was all sold above par, was it not?—A. I do not know. In the first place, we had to take out twenty per cent. for Grant.

Q. And that was on half of it, not on the whole of it?—A. Not on the whole.

Q. The subsequent allotment was made at £23 per share, you will remember, not at twenty. It was gold and not currency, and you paid currency in New York.—A. I did not stop to see how he figured it out. I just let him give me what he wished.

By Mr. BARNUM:

Q. What do you suppose that it came to? You must have been advised of the condition of the market, and must have had some idea what that five thousand shares brought?—A. I felt in this way: when I said to him that if he advanced the money he might take any part of the interest in it, he did not take me up at the time, or make any reply, as I tell you; he simply made this other proposition, that I might give him my note for it and he would advance the money, and if it came out right he would do what was fair. I had offered to let him have this thing.

Q. I understand you to say that you offered it to him and he declined?—A. I told you that he did not make any reply. But I made this offer to him, and when he declined to furnish the money, then I went to him in earnest to get the money. This stock that they were talking about was the American stock.

By Mr. PACKER:

Q. Do you mean by "American stock" the shares in the New York Emma Mining Company?—A. Yes.

Q. Did that American interest represent five thousand shares of stock in the London limited company?—A. No.

By Mr. HEWITT:

Q. In other words, was not the par value of the stock of the two companies the same—it went share for share?—A. I think the par value of the New York company was $100 a share.

Q. How many shares?—A. I think there were fifty thousand shares, but I am not certain. I am not certain whether they were identically the same or not.

By Mr. BARNUM:

Q. Part of Grant's interest must have come out of that American stock, since there was £100,000 to be taken out of half that was

sold?—A. They did not have the English stock, you see; they had simply the American stock, which did not represent the English shares we were talking about. It was the American shares that entitled them to an interest in the proceeds of the sale of the English shares.

Q. It entitled them to their portion of the interest. Mr. Lyon's interest was five thousand shares. Now, I understand that after having got that, Mr. Park sold it without your ever knowing what it came to or what it brought?—A. We never had a settlement.

Q. You had no interest with Mr. Park in the purchase or sale of the American stock that you came here to buy and bought?—A. He said he would do the fair thing.

Q. But outside of the Lyon interest?—A. O, yes; outside of the Lyon interest.

Q. How much was that?—A. That is a thing I did not think of. Certainly, I had an interest in that. I trusted Mr. Park a great deal. I wanted him to take Lyon's interest, and let Lyon have the money. Then afterwards when we had got the Lyon contract made, he said to me, "If you will fix it so that I can stay here, then I will advance the money." We arranged it so that he stayed there. Without speaking particularly as to how he viewed his interest in this thing, he advanced the money for it. He may have regarded himself as interested in it, although I do not know how he viewed it. If he says he regarded himself as interested in the thing, then all right; if he does not, it is the same. I shall leave that entirely to him, because I had made the offer to him, and, without either accepting it or refusing, he said he would fix it up and advance the money in this way, and then said, "If you get this, I will give you a commission or an interest in it. I will do what is right in the whole matter." I left the whole matter to him.

Q. That was outside of the Lyon interest?—A. Outside of the Lyon interest; yes.

Q. Then there was an understanding that he would do what was right for the purchase of the American stock outside of the Lyon interest?—A. And the Lyon interest—the whole thing together. It was not separated.

Q. I want to separate it.—A. It cannot be separated.

Q. You said that you obtained this five thousand shares, and that it was subject to Mr. Park's approval as to whether that should be the Lyon interest. You also said that when you left London there was no agreement between you; that you offered it to Mr. Park, and he did not take it, and you thought it was your stock when the settlement was made, providing it was agreeable to Mr. Park. That point has been disposed of. You also said, I believe, that Mr. Park sold that stock without you ever knowing what it brought. Is that so?—A. No, it is not the way you have stated.

Q. I will put it in a different way. You settled the Lyon interest on a basis of 5,000 shares, subject to the approval of Mr. Park. Mr. Park never assented to that arrangement or dissented from it, but he went on and sold your stock, the 5,000 shares, but you don't know what it brought; that you have stated.

The WITNESS. Now, what fact do you want from me?

Mr. BARNUM. I simply want to know if I am correct in what you have stated here, that Mr. Park sold these 5,000 shares, they being the Lyon interest, without your knowing what it brought. You have so stated. Do you want to correct it?—A. I do not want to correct that.

Q. When Mr. Park came back to America, you say you had a conversation with him about paying Mr. Hillyer?—A. Yes.

ink you stated yesterday that that sum and the sum you paid
er amounted to $55,000?—A. Yes.
at did Mr. Park give you in bonds at that time, before start-
lt Lake City?—A. Not anything then.
ink you stated that he made a purchase of bonds for you, or
rife, before you started to go out to Salt Lake City.—A. No;
; some Canada Southern bonds before we went out.
. Utah Central?—A. He bought the Utah Central out there.
you tell us how much that was?—A. I think $50,000 each.
nk you said yesterday that after you got out there Mr. Park
to buy or sell stocks.—A. To buy.
buy and go into a speculation?—A. Yes.
ch he said would require $15,000, or a certain sum?—A. No,
r made a purchase; I do not know how much; but they
me stock.
bought some stock, and figured how much your interest would
Yes.
you remember how much that was?—A. No; I do not remem-
nuch it was. But I had got some more money of him here
got some in Salt Lake City.
stated yesterday that he gave you a check there in place of
ming interested. Now, in the place of your taking an interest
fits of the stock, you told him he might give you a check for
hought you were entitled to, and you said that would be satis-
-A. Yes.
you tell how much that was?—A. No, I cannot.
much do you think it was? What is your impression?—A.
,000 to $20,000, I know, at that time. But he had given me
fore that while we were at Salt Lake City. I cannot fix that

you ascertain by your cash-book?—A. No; it was one check
nted to use in San Francisco and another one I wanted to use
I do not know whether they were $5,000 checks or $10,000
But it has no particular relation to the whole amount. I men-
particular thing because it was the way we ended the settle-

finally closed up all the matters by taking that check?—A.
ed it in that way.
I want to ascertain how much he paid you for the settle-
at time.—A. How much the whole amount was?
how much you had there after you arrived, in connection
stock transaction.—A. I cannot recollect.
ere any way you can find out?—A. I do not know that there

you keep a cash-book?—A. No. I had some money to pay
ancisco and some money to pay here, and I sent the checks
nk there were two checks.
say that was $10,000 or $20,000. Suppose we split the differ-
call it $15,000.—A. Very well; call it any amount you want

Mr. PACKER:

aking up your estimate of $280,000, at what did you estimate
checks?—A. I had received other checks and other moneys
s there, and I do not exactly recollect what the last ones
know about the aggregate that I received. The reason it

bothers me to tell you that is, that I had received other moneys during the time that I was in Salt Lake.

By Mr. BARNUM:

Q. You said yesterday that you and your wife had received some amount up to the time Mr. Park came to America, when you had this settlement?—A. Yes.

Q. Do you remember how much that was?—A. O, I suppose it was twenty or thirty thousand dollars.

Q. Then the real sum paid Lyon was $200,000?—A. Yes.

Q. That foots up exactly $500,000, and that must have been what you received, less the amount paid Lyon for the Lyon interest.—A. I did not receive $500,000.

Q. No; but that must have been what you received for the Lyon interest in the property, less the amount paid him, must it not?—A. I do not know. Mr. Park must himself state the basis upon which he gave me this money.

Q. But you had $500,000, including the payment to Lyon?—A. O, no.

Q. Well, call it $480,000, or whatever you received; but that amount was what you received for the Lyon interest, less the amount you paid Lyon out of it?—A. No; there were other considerations beside the Lyon interest; but he would not have given me that had I not stood by him the next summer.

Q. But these sums are as follows: $55,000 paid to Hillyer and his brother; $100,000 bonds; the check he paid you at Salt Lake City after you arrived there was $15,000, and you had previously received $30,000; the amount paid Lyon was $200,000; these constituted the whole sum you received out of the Emma Mine transaction, from beginning to end. —A. Yes. Now, I do not suppose that this committee want to make it appear that after I had settled with Mr. Lyon I bought him out, and went on working for another year, taking the responsibility and the chances, and that this amount I received all arose from Mr. Lyon's interest.

Q. I only wanted to see how much you got out of the Emma Mine transaction.—A. When I left England, I would have been very glad to have taken $50,000 cash out of the Lyon interest, after he was dissatisfied. Until then, I wanted to keep it; but after he became dissatisfied I would have taken almost any amount to have gotten out of the scrape. But I was forced to go on and take the responsibility, and gave my note and stood by it, and worked, while he (Lyon) was trying to destroy the company—a thing which he has pretty nearly accomplished.

Q. I want to inquire whether, in the sale of the stock on the other side to the English stockholders for two millions and a half in round numbers, it was not understood and agreed, between you and Park and Grant, that that money, whatever was received, should be held to sustain in the market the stock which was sold.—A. The contract itself is there and shows for itself.

Q. Was that the agreement—that so much of that as was necessary should be held to protect the stock?—A. The provisions that are made in the contract are all there before you.

Q. Was that contract between you parties understood by all the directors in the Emma Mine at the time this transaction was made?

Mr. HEWITT. That is, did they know the nature of the contract between Park and Grant?

A. I do not suppose they did. The contract was gotten up between

[r. Park and Mr. Grant, and I assented to it and signed it for the pur-
ose of having the sale take place.
Q. You knew about it?—A. Yes.
Q. Did General Schenck know about it?—A. No.
Q. He had no knowledge of any such agreement?—A. I presume not.
Q. Do you know that he had not?—A. I think he had not. I do not
ink there was anything about the contract. As I have said, it was
ited to me to be the way in which they put all their stocks on the
iglish board. When they drew them up, I inquired about such things;
glanced it over very hurriedly.

By Mr. HEWITT:

Q. Do you know whether the contract between Schenck and Park
s made prior to your contract with Grant or subsequent to it?—A.
now that the agreement that he should have an interest in it when
was put on the board—the verbal agreement—was commenced while
thing was negotiating with Coates & Hankey.
Q. But was the contract between Schenck and Park made prior to
ur contract with Grant?—A. I think it must have been subsequent
that, because they would not have known how to draw the contract
til they had some basis for it.
Q. Will you look at the date of that contract?—A. They must have
d some basis in order to know what they were going to do.
Q. The date of the contract is November 2?—A. November 2. O,
ll, undoubtedly they knew, before the day of signing, the amount of
pital stock that was to be issued.
Q. But the execution of that contract was subsequent to the bargain
ide between Park and Schenck?—A. I do not know on what date
y put this in writing.
Q. General Schenck avers that he made it on the 1st of November,
his testimony, and the contract between Park and Schenck bears
te the 1st of November, and the contract between you and Grant
ars date November 2. It is, therefore, important in this sense, that
bert Grant said to you before he made his contract that it was un-
rstood that General Schenck was to be a director.—A. No.
Q. I wish to get the dates. That is dated on the 2d of Novem-
r; whereas the agreement between Schenck and Park was dated on
e 1st.—A. Yes.
Q. Was your arrangement with the parties in New York to have
00 shares represent Lyon's interest, which forms a part of that con-
ct, made in anticipation of *that* contract?—A. It was made in order
determine how they would divide up the stock.
Q. Did it form part of the contract or was it made in anticipation of
e contract?—A. It was made just in this way: When they came to
ure how much they would have, it was found necessary to have some
sis for figuring the number of shares that they would have in the
ock of the New York company. The contract was between Lyon and
e Emma Company of New York. Then it became necessary for them
make some allowance, because there was so much to be taken out of
in that settlement.
Q. Inasmuch as you signed for that interest, it was not, of course,
the contract; it was agreed to prior to the making of the contract?—
. It was agreed to just before the making of the contract.
Q. Did Mr. Baxster sign that contract?—A. My recollection is that
e did.

Q. That contract provided that all the interest of all the signers should be sold by Mr. Park, did it not?—A. Yes; I believe it did.

Q. And that the money should be remitted to New York?—A. Yes.

Q. How is that to be reconciled with this statement of Mr. Park's, on the 22d of April following the execution of that contract, if that contract was made on the 9th of December:

Both General Baxter and Mr. Stewart are large owners in the shares, and not subject to any contract with me or any one else.

Here this interest of yours was subject to the contract with Mr. Park, which you had signed on behalf of Mr. Park. How do you reconcile the existence of this contract with Mr. Park's statement, which I have just quoted?—A. I presume Mr. Park can explain it.

Q. You have no explanation to offer?—A. I have not thought about it at all.

Q. H. H. Baxster is the person alluded to in Mr. Park's letter, where he says that Mr. Baxter and Mr. Stewart are large owners of stock, which they intend permanently to hold?—A. Mr. Park generally knows what he is doing. It may be that at that time he intended to retain the interest.

Q. Yes; but he says further than that that General Baxter and Mr. Stewart are large owners, and that they intend permanently to hold their stock, when he holds in his hand a contract to sell their stock.—A. Authorizing to sell it. He was not under any obligations to sell it; he could retain the stock until the end of the year.

Mr. HEWITT. Yes; but that contract is the contract requiring a sale, on the part of the people making the contract, beyond all doubt; they expected he was going to sell it, and you expected he was going to sell, or you would not have made the contract in his behalf.

By Mr. BARNUM:

Q. Do you know the date of the sale of the last stock held by any American in England?—A. Mr. Park did not pay any attention to what sales had been made when he settled with me.

Q. Do you know that he was a large stockholder when he came from England?—A. O, yes, he had stock.

Q. Do you know the date that he sold it?—A. No; I think he was interested during all the summer of 1872; that he bought in largely again several times. When he got there he sent orders from Salt Lake and so did Hussey, and there was a good deal of stock bought in Utah during the several times I was out there; a good many thousand shares were bought there during that time, by telegraph. They were dealing in it all summer.

Q. Do you know what it was selling at at the time this final settlement was made, when he gave you $15,000, more or less?—A. I think there was a little premium—that it was a little above par.

Q. There has been some testimony here that the stock got down to £14 a share somewhere about that time?—A. No, it was away above that. When they talked about buying, it was after we looked at the mine and everybody was pleased with it.

Q. Do you know the highest prices the stock brought at any time?—A. I think it went as high as £32 or £33 per share during the year.

The following contract was then introduced in evidence:

Whereas the undersigned were owners of stock in the Emma Silver Mining Company of New York, as follows: H. H. Baxter, 10,875 shares; Warren Hussey, 5,439 shares; Robert B. Chisholm, 5,210 shares; James Smith, 3,624 shares; J. R. Walker, 906 shares; Samuel S. Walker, 905 shares; D. F. Walker, 905 shares; M. H. Walker, 905 shares

Cliff, 905 shares; M. M. Cunington, 226 shares; Wm. M. Stewart, 5,000
l whereas the Emma Silver Mining Company aforesaid, represented by T.
as sold its real and personal estate to the Emma Silver Mining Company,
London, according to the terms of an agreement made by T. W. Park, rep-
vender, and by said agreement the vender was to receive the proceeds of
s of said company in cash and the same amount in stock, to wit, 25,000
l whereas the undersigned are entitled to receive from the 50,000 shares in
Mining Company, limited, the following number of shares, or the proceeds
ces, to wit: H. H. Baxter, 10,875 shares; Warren Hussey, 5,439 shares; Robt.
, 5,210 shares; James Smith, 3,624 shares; J. R. Walker, 906 shares; Sam-
er, 905 shares; D. F. Walker, 905 shares; M. H. Walker, 905 shares; Fran-
905 shares; M. M. Cunington, 226 shares; Wm. M. Stewart, 5,000 shares
as the said Park has contracted to pay, and has paid, large sums of money
aid shares, and has given his time, and proposes to give his time in the
e sale of the shares until they are all disposed of; and whereas the shares
Emma Mining Company, limited, not sold are to be deposited with J. H.
such person or persons as may be agreed upon between Messrs. Grant &
don, and said Park, until same are sold; and when sold the sale or sales
joint account of all the owners of shares, and the proceeds to be divided
Now, in consideration of the premises and the services hereafter to be ren-
e said Park, we agree with the said Park as follows:
he said Park shall attend to the sale of said shares in which we have an
d shall pay all charges and commissions which he has agreed to pay or
ter agree to pay, and as fast as said shares are sold shall pay us on the shares
are entitled to, the proceeds of the sum of $50 per share, in United States
y draft in New York, sent to us respectively by mail within fifteen days
le of shares, and on those already sold within fifteen days from the execu-
livery of this agreement, paying the undersigned on each sale as it may be
o rata on the shares sold, without any rebate on any account whatever, ex-
inafter stated. Said Park to report to each of us, by letter, on the 1st and
month, from London, the number of shares sold since last report, and an
wing what each of us is respectively entitled to receive, and also an ac-
ing the number of shares still remaining on deposit and unsold. Said Park
retaining in his hands any funds belonging to us, or either of us, under this

id Park to retain for his own use and benefit all sums he may receive for
belonging to us, respectively, beyond said sum of $50 for each share sold,
eby release and discharge him from all claims we may have for such shares
be sold, together with any dividends that may be payable thereon beyond
$50 per share, to be paid as aforesaid, on the shares set opposite our names
in this agreement. And we hereby agree, in case of a deficiency in the
of ore sold with the mine, to pay our proportion of such deficiency; and we
horize the said Park to retain from the $50 per share, to be paid to us as
ur pro rata of the sum or sums necessary to make up such deficiency. And
agree to pay our respective proportion of all court and legal expenses to
suits now pending affecting the title to the Emma Mine, in order to make
s guarantee of title to the Emma Silver Mining Company, limited, of

l Park shall at any time advance to us respectively any sum beyond what
tled to receive, he may deduct the same from the next amount due to us
le of shares.
ontract to exist for one year, and any shares then remaining unsold shall be
o us respectively, as we are entitled to the same.
s whereof we have hereunto set our hands this 9th day of December, 1871.

er.	Warren Hussey.
Chisholm.	Ed. S. Joslyn, by attorney.
lker,	
er,	by J. R. Walker, attorney.
Valker,	by J. R. Walker, attorney.
I. Walker,	by J. R. Walker, attorney.
Cliff,	by J. R. Walker, attorney.
ussey, guarantee,	for F. D. Cliff,
Cunington,	by J. R. Walker, attorney.
wart.	

accept the above contract, and agree that the parties above shall not
n for any sum for my services or disbursements, except as expressed in said
and I agree to carry out the agreement hereinbefore mentioned to be per-
me.
ess whereof I have hereunto set my hand this 9th day of December, 1871.

T. W. PARK,
By his attorney in fact, W. M. STEWART.

By Mr. SPRINGER:

Q. This contract is signed by the stockholders of the Emma Silver Mining Company of New York; it is dated on the 9th day of December, 1871, and is signed "Trenor W. Park, by his attorney in fact, W. M. Stewart." Where were you at that time?—A. In New York.

Q. Mr. Park was in London?—A. Yes.

Q. Were you acting as the attorney of Mr. Park at that time?—A. I had a power of attorney from him to assent to the arrangements that they were making.

Q. You were authorized to act as his attorney in signing this contract?—A. The agreement to stay there—whatever agreement there is in that.

Q. Did you act in any other capacity as the attorney of Park than simply to sign this? Were you not his general attorney and counsel?—A. O, no; I had no general power, nothing but the special power to make any arrangement that would be satisfactory to him and enable him to stay there—to make the best arrangement I could for that purpose.

Q. In your general connection with Park and Lyon were you not as much the attorney of one as of the other, in December, 1871?—A. After I signed that, when I had bought Lyon out, I was not his attorney.

Q. That is a question you can answer, yes or no. Were you not, at some time, the attorney for both Park and Lyon?—A. Well, no, not exactly. If I acted for Park in the matter, then my contract was that Park was to pay the money, and my relations with Lyon ceased. I was not for both at the same time. As soon as I acted for Park and telegraphed and he accepted, then my relations with Lyon ceased.

Q. On the 9th of December, 1871, were you not acting both for Park and Lyon at the same time?—A. O, no; I had a contract to buy Lyon out, that is, there was a deed *in escrow*, and Mr. Lyon understood it perfectly well. He was present when I agreed to go and make this arrangement, and knew that his matter was contingent upon it, and wanted me to make it.

Q. You stated in your evidence before, I believe, that you had said to the signers of this contract here that you were acting as the attorney for Park.—A. I stated that I was authorized by Park to say that he would stay there if they would make that arrangement, and to sign it in that capacity; and I did so.

Q. You are put down as "William M. Stewart, 5,000 shares;" what shares were those? Were they shares of the Emma Silver Mining Company of New York, or of the Emma Silver Mining Company of London, limited?—A. In New York that was.

Q. Then you represented that you owned 5,000 shares in the Emma Silver Mining Company of New York. Did you own 5,000 shares at that time in the Emma Silver Mining Company of New York?—A. I have answered that question a great many times.

Q. Answer it now, yes or no.—A. I won't do it that way. I cannot answer it yes or no. I had an interest in it.

Q. You are put down on this paper as being the owner of 5,000 shares of the Emma Silver Mining Company. I ask you if you owned them on December 9, 1871?—A. I had an interest in it.

Q. What interest was that?—A. I had a contract to buy Lyon's interest.

Q. Were these Lyon's shares of stock that you speak of?—A. No.

Q. Then whose interest was it you represented?—A. I had a contract to buy Lyon's interest in this, provided I effected the arrangement.

I have stated to you all the facts. It seems to me that there is unnecessary anxiety to place that in a false light, when I have explained it over and over again.

Q. Did you not represent to Baxter, Walker, Chisholm, Joslyn, and these other parties here, that you represented the interest of Lyon in that 5,000 shares?—A. Certainly. That was my object, to settle the Lyon interest, whatever it was.

Q. You represented the interest of Lyon?—A. The interest I had bought of Lyon, yes, to close the matter, or the interest that I had a contract to buy of Lyon. I did not make any representations of that kind to them. I asked them what they would allow for the Lyon matter, and I took it.

Q. Are these 5,000 shares represented by you in this contract signed on the 9th of December, 1871, the same shares that are mentioned in this contract signed by you for Lyon on the 18th of August, 1871? Is it the same interest?—A. No, not the same interest. It grew out of it. They were ascertaining what they would allow for that Lyon interest.

Q. Then it was the same interest, was it?—A. No, because it was in a different shape; but they had arranged to allow that in lieu of the other.

By Mr. BARNUM:

Q. It was a statement of the same interest?—A. Of course, it was a statement of the same interest.

By Mr. SPRINGER:

Q. This contract, then, represented that interest?—A. It represented the results of that interest.

Q. Did you not represent to these gentlemen in New York, who signed this contract on the 9th of December, that a large portion of the receipts of the company up to that time had been exhausted in paying what the English call "pulls?"—A. I made no definite representations. As I tell you, I was not in any relations with them to make representations. I told them that the expenses were heavy.

Q. Did you not so represent this to Edward S. Joslyn?—A. I told him that the expenses over there were heavy.

Q. Did you not tell him what they were?—A. No.

Q. Did not you represent to him that $45,000 went to Professor Silliman?—A. No.

Q. That £100,000 went to Albert Grant?—A. Yes.

Q. You represented that to him?—A. Yes.

Q. That £10,000 went to Coates and Harkey?—A. No.

Q. That £25,000 went to Brydges-Williams?—A. No.

Q. Did you represent that to Edward S. Joslyn?—A. No; Grant paid the Coates and Harkey claim, you know.

Q. Well, but he charged that to the company, did he not?—A. No, he did not.

Q. He did not pay it out of his £100,000, did he?—A. I think he did; Mr. Park will give the fact as to that; Grant also paid fifteen thousand of the commission of Jay Cooke, McCulloch & Co.

Q. Did you represent to Mr. Joslyn the payment to Jay Cooke, McCulloch & Co.?—A. No, I do not think I said anything about it. I do not think I went into any details with those people. We were hostile, and I did not make any detailed report.

Q. I will ask whether the whole interest of $2,500,000 of unsold stock in the Emma Silver Mining Co. of London was embraced in this contract

which you signed on the 9th December, 1871.—A. What was in that was the stock of the New York company.

Q. It was dollar for dollar, was it not?—A. Yes; but it was to draw its interest in the other. That is the stock in the New York company, which is represented there, not the other. It shows on its face what it is.

Q. Did they sell out their interest by this contract?—A. They sold their interest in the stock of the New York company, as I understood it.

Q. Had the property at that time been conveyed to the London company?—A. I think so. The conveyance had been made before that; whether the title had been passed upon, I do not know.

Adjourned.

COMMITTEE ON FOREIGN AFFAIRS,
Washington, D. C., March 28, 1876.

Testimony of Robert C. Schenck.

ROBERT C. SCHENCK appeared before the committee and was duly sworn. Before proceeding with the testimony the chairman laid before the committee the following letter, which had previously been received from General Schenck:

WORMLEY'S HOTEL,
Washington, March 22, 1876.

SIR: I write to announce my arrival in Washington at midnight last night, and my desire to appear before your committee to make a statement under oath and to submit myself to examination in relation to my connection with the Emma Silver Mining Company of London, which, I understand, is, under instruction of the House of Representatives, being now made a subject of investigation. I have had no intimation of any intention on the part of the committee to invite or require my presence before them; but when I saw published in the newspapers in London on the 1st instant a telegraphic summary of the testimony of Mr. James E. Lyon, given the day previous, I determined immediately to avail myself of a leave of absence obtained from the Secretary of State to come with all dispatch and ask to be heard in person. Taking but a single day for preparation, I was able to leave London on the 3d, and to sail from Liverpool on the 4th. My passage across the ocean lasted fifteen days, and was exceptionally tempestuous and rough, and I have not yet recovered from the prostrating effects of the voyage, from which I suffered all the more in consequence of not having been for some time past in my usual condition of good health; and leaving suddenly as I did, I have not up to this time been able to examine papers and correspondence to which I may have occasion to refer, which were packed away for me hurriedly, among articles of clothing and other effects, in boxes and trunks that were sent forward by express to Washington on my arrival at New York. These I can get at so as to be prepared to come before the committee after a delay not exceeding a couple of days—say by Saturday, or any day after that which will suit the convenience of the committee; and I respectfully request that you will arrange to give me this opportunity.

I beg leave also to ask that I may be furnished with, or that you will give me access to, copies of the statements of any witnesses who may have been examined by the committee touching the matter in question, as I have thus far only seen brief newspaper notices of a portion of the testimony said to have been taken.

I have the honor to be, very respectfully, your obedient servant,
ROBT. C. SCHENCK.

Hon. THOMAS SWANN,
Chairman of the Committee on Foreign Relations, House of Representatives.

The WITNESS. Mr. Chairman and gentlemen of the committee, I have a paper which I wish to submit to you before proceeding with any statement of my own in the nature of testimony before you. It is as *follows:*

'ommittee on Foreign Affairs:

re respectfully to state to the committee that since my arrival ıington I have read the printed testimony of James E. Lyon and A. Johnson, on which the charges against me appear to be . The testimony of these witnesses was taken in my absence hout any opportunity for cross-examination.

ıvidence is produced to show that the sale of the Emma Mine by Park, Baxter, and Stewart to the Emma Mining Company of was a fraud, and that to the consummation of such fraud I ıly lent the assistance of my name and official position.

harge is a very grave one, and I ask for the most full investiga- t.

ıat purpose, although not invited to appear before the commit- ft London as soon as I learned from the newspapers what action n taken, and came at once to Washington.

ht rest my vindication upon the simple statement of my own ıon with the transaction in question which I propose to make, ich it will appear that, under a sincere belief in the value of the d the honesty of the sale of it, I bought and paid for the shares ınd sustained a large pecuniary loss thereby.

s the committee have received evidence growing out of the pre- istory of the mine and intended to show that it was of little nd that the sale of it was fraudulent, and this evidence has lely published, I deem it suitable to my complete vindication that mittee should hear testimony upon these points. I am prepared ıefore the committee unquestionable proo s that the evidence ıas been taken is false—that the witnesses who gave it are of s character and not worthy of credit under oath; that the sale ıine was fair, honest, and straightforward, without falsehood or nd made by men who had paid a large sum of money for it, and y believed in its value; that the purchase was not made on the any representations by the sellers, but upon exact accounts of ıal product of the mine for nearly a year next before the sale, ın careful survey and examination of it by competent persons d by the buyers for that purpose; that the mine continued for ın a year after the sale to yield large monthly dividends; that idence of the sellers in it was such that after their interest had d and paid for, some of them purchased largely of the stock at ces, and also loaned the company large sums of money; that the ent failure of the mine was owing to mismanagement in its ; that the mine is to-day, if properly worked, in all probability ble as it was ever claimed or supposed to be; and finally, that I know or believe, the parties in England who were concerned riginal purchase have never claimed that any fraud or imposi- practiced upon them; that claim having been recently set up who have bought the stock, since the alleged failure of the a nominal price.

be very apparent to the committee that this proof must involve rogation of a considerable number of witnesses, that the evi- annot be presented in a clear, orderly, or satisfactory manner, hrough the means universally employed in judicial tribunals— nination of the witness by competent counsel, acquainted with , subject, of course, to such further questions as any member ommittee may wish to put. That to conduct the inquiry by ıpon witnesses to examine themselves, or by such desultory and

imperfect examination as must be made by a committee not informed of the facts, would be extremely unjust to the party who relies upon the testimony, and would tend to obscure the truth rather than to elicit it.

I have therefore respectfully to request of the committee that the usual privilege of the assistance of proper counsel may be accorded, as well for the cross-examination of the witnesses who have testified against me as for the examination of those whom I desire to produce.

Should the committee be pleased to accede to this my request, as I cannot doubt they will, I shall be ready to proceed with the cross-examination of the witnesses, or my own statement, as the committee may think most desirable.

I am, gentlemen, very respectfully,

ROBERT C. SCHENCK.

WASHINGTON, *March* 28, 1876.

Mr. FAULKNER. In your letter addressed to the chairman of the committee, which was filed this morning upon our record, and also in the paper you have just read, you seem to place some emphasis upon the fact that you have never been invited to appear before this committee. It would seem to me that the circumstances of your absence, and your just having arrived in the country, would account for that. It was unquestionably the intention of the committee to invite you to appear before them when you arrived in the country. The following resolution was adopted by this committee on the 2d day of March:

Resolved, That the committee will not close the testimony, nor make any report to the House, the evidence in the investigation now pending under the resolution of the House passed on the 7th and 29th days of February, until Minister Schenck shall have had the fullest opportunity for being heard, if he shall request such hearing.

The CHAIRMAN. I would state further to the witness in reference to his appearance here, that we requested a gentleman connected with this committee to advertise the friends of General Schenck in the House of the fact that we were prepared to offer him every facility which he desired, that he might come before this committee and make any explanation which he deemed necessary to his defense.

The WITNESS. I am obliged to the committee. I was not aware of that. It is due to the committee as well as to myself that I should briefly explain these facts. When I first heard of any inquiry being made with regard to the Emma Mine, which I only knew from the brief telegraphic dispatches published in the London papers, it was represented to be an inquiry of the Executive as to what had been his action in the case. I at once telegraphed through the Secretary of State to the Executive Department, to say (and I think perhaps those telegrams have been submitted, or some information of them given to the committee) that I would not embarrass the Administration in any way at all, but was ready to tender my resignation rather than to do so. My resignation was afterward sent forward to the Executive in writing, after some preliminary correspondence, which, I believe, has been submitted to the committee. It was only when I saw that there was a charge, and a resolution reported to investigate my conduct, and that the testimony was being taken, and a little abstract of it published in the London papers, that I instantly, having obtained leave before that, and having intended to sail on the 11th of this month, telegraphed to the Secretary of State that my attention had been attracted to this testimony, which I characterized as I felt it deserved, and that I would sail by the very next steamer. The consequence was that, the next steamer going on *Saturday*, and this being Wednesday, I had but Thursday in which to

nake my preparations, Friday to get down to Liverpool, and Saturday o sail.

I came here, therefore, without any further knowledge, and was fifteen lays upon the ocean, cut off, of course, from all communication; and either when I arrived here, nor since, have I known of this of which the hairman now kindly informs me, that the committee had intended to call pon me. I did not wait for anything of that sort, but addressed that etter which the chairman has presented this morning, written upon the orning after my arrival here in Washington; and in that letter there as reference, therefore, to what was then the fact, that I did not know hat the committee intended to invite or had invited me, or expected e to be present. Of course I recognize, and I am grateful to the comittee for, all the courtesy which they had determined upon without waitg for this communication from me. But it is due to the committee hat I should state that I came without this knowledge. Up to this ime I had had no information, and am only here to-day because I was nformed by the secretary who wrote to me, after I had written that letter, that the committee had resolved to hear me at half past ten o'clock.

What shall I understand to be the decision of the committee, Mr. hairman? That I go on now?

The CHAIRMAN. The committee will direct that the communication ou make here be placed upon our record. They would be very glad to ear any statement of General Schenck with reference to his connection ith the Emma Mining Company, from the earliest period down to the resent moment; and I will state to the general, in order to give him n opportunity to make his statement as full and as satisfactory as he ay desire, that there will be no interruption whatever of the statement hich he proposes to make to this committee.

The WITNESS. That I shall first proceed with my full statement, and fterward submit to any examination?

The CHAIRMAN. Yes; to any examination that the committee may hink proper to make.

The WITNESS. Mr. Chairman and gentlemen: The first knowldge of any kind that I had of the Emma Mining Company, or f the Emma Mine by that name, was some time in the month of ctober, 1871. Upon a former occasion, when I testified before a ommission, giving a deposition to be used in a suit between the presnt board of managers of the Emma Mining Company and the vendors f the mine, in the circuit court of the United States in New York, I ixed that time according to my best recollection as in the last week or en days of October. I may say that that deposition was given in Lonlon the next day after my return from an absence of nearly two months, raveling in Norway, under a leave of absence from the State Departnent, with my family, and I had made no reference to any memoranda r correspondence, or anything of that kind, to refresh my recollection; had not had time to do so. Since then I have satisfied myself that it vas a little earlier in the month of October than I then supposed; how arly I do not know, but I suppose somewhere not far from the middle f the month. I am led to this conclusion by a reference to various natters which tend to refresh my recollection, but particularly by the ne fact which I shall presently mention as to the time when I first saw Professor Silliman's report.

About the middle of October, therefore, as nearly as I can recollect, I met at Miss Edwards's Hotel—called the Royal Cambridge Hotel, in London, where I was calling upon some friends—Mr. Stewart, formerly Senator of the United States, with whom I have had acquaintance for

many years, and Mr. Park. I met them first, I think, at the table of my friend, Mr. William M. Evarts, of New York, with whom I had been invited, as these gentlemen appeared also to have been, to dine. I am not sure whether it was at the table then, or whether within a day or two afterward, at some subsequent interview, something was said by Mr. Stewart first, as I think, about the purpose of his visit to London. But either then in Mr. Evarts's room and upon that occasion, or within a day or two, in conversation with Mr. Stewart, he told me that he and Mr. Park were interested in, or represented, a property called the Emma Mine, which they were desirous to put upon the market in England by sale to a company, and that they were at that time engaged in negotiations.

In making this communication to me, either at the dinner-table, or shortly afterward, my attention was attracted by his speaking of his mining property as lying in a place called the Little Cottonwood Cañon, in Utah. I do not know precisely where it is, but I believe not very far from Salt Lake City. I have never been, I suppose, within a thousand or fifteen hundred miles of the mine. I have never been so far west. I remembered, and therefore my attention was more particularly attracted, that, at the Land-Office, a short time before I left the United States to go to England to represent the country there, when calling, for another purpose, (in reference to the promotion, I believe, of a clerk,) upon the Commissioner of the General Land-Office, I was in his room, and either he, or some one else there, having some specimens of silver-ores, spoke of some that were particularly and marvelously rich, which were found in a place called Little Cottonwood Cañon, in Utah.

The name struck me—excited my attention, as I say. There was not much conversation at the time between Mr. Stewart and myself about it. Mr. Park I then knew for the first time. I was introduced to him by Mr. Evarts upon this occasion. After I learned from Mr. Stewart then, or soon afterward, what was the object of their visit to London, and the business which had brought them there, there came to be conversation between us as to the value of the property, its character, and various things connected with it, and the suggestion was made to me, I think first by Mr. Stewart, that I ought to have some interest in that property, for it was a very valuable thing—probably the finest mine that had ever been brought out in that market. I answered then, and continued to talk in that way for the first portion of our conversation about it, by saying that I had no means to invest; that I would not wish to go into a matter of that kind unless I did it with a view to adding something to my income; and, unless I could take a considerable number of shares, it would not be worth my while to do so. This led to conversations afterward, which increased my interest in the subject, in which I saw both Mr. Park and Mr. Stewart, with the former of whom, as well as Mr. Stewart, I had by this time become quite well acquainted, from our conversations upon this and other subjects, and particularly because of mutual acquaintances that I found Park and myself had, especially a very esteemed friend of mine, Mr. Solomon Foote, who appeared to be one of whom he had a great deal to say.

I consented to look into the matter to see whether it was worth my while, if I could get the means to invest, to take either a few or a number of shares. And I think Mr. Stewart, who seemed to be exceedingly anxious that I should have this opportunity of making something by the purchase of these, which he represented as very valuable, shares, *first suggested* or told me that he had done so to Mr. Park; that he,

(Park,) owning a great number of the shares, and intending to retain many of them, being a man of wealth, could assist me if he were so disposed. Mr. Park did eventually, after some little conversation upon the subject, propose to me that he would aid me in the purchase of shares; that he had many of them, and would give me time upon those I would take, if I would take some five hundred shares, or enough to make the investment of some degree of importance to me. As a matter of course, I wished to know the value of the property before I could consent to anything of that kind.

They gave me different diagrams of the mine, and plans of its working; and, among other papers, a number of accounts of the sales of ore which appeared to have taken place, I think, at London, certainly some at Liverpool, and some at Swansea. They showed me the balance that they had in the bank, or stated it to me, and gave me, I think, some accounts which showed it; proving that the mine was already in operation, and producing considerable results, and having a balance to its credit, or to the credit of its proprietors, on hand.

They told me then—and this is what helps me to identify the time, or to enable me to identify it better—they told me that they had also a report upon the mine, which I was particularly anxious about, showing its value in the opinion of an expert and a professional man, Professor Silliman, but of which they had not yet a copy, and that they would show me that, as perhaps the most important paper they had, in reply to the questions which I asked about it. Within perhaps a day or two after these conversations commenced, among the rest of the papers furnished to me was shown a report of Professor Silliman. I read that report with a great deal of interest, and looked at all these papers with the same feeling. It was a very serious question with me whether I could, even if assisted by a loan of money, upon any terms, go into a matter so large as that, because I had never been in a condition in life to go into a transaction amounting to something like fifty thousand dollars at any one time.

I finally made up my mind that if Mr. Park would, as he proposed, let me have the money upon the terms on which he offered it, giving me time for a year, and he having a great number of shares to dispose of—for, as I understood at the time, (and that gave me every confidence in the mine,) it was the intention of the vendors to retain one-half the number of shares themselves when they put it upon the market—I would make application for those shares.

This whole matter was settled between Mr. Park and myself—and I wish to be very precise upon this subject, as upon all others—I should think some two or three days before the end of October, at any rate prior to the first day of November; and on the first day of November the agreement between Mr. Park and myself was reduced to writing, in the form of papers, which I shall now present to the committee, and was executed. It is not true, but utterly false, that they were reduced to writing, or executed, at any other time than on the day on which they bear date. I propose now to submit those papers to the committee. This first paper which I will exhibit is the note which I gave to Park for the money borrowed—now canceled. It is as follows:

£10,000. LONDON, *November* 1, 1871.

On or before the 1st day of November, 1872, I promise to pay Trenor W. Park ten thousand pounds, for value received.

(Signed) ROBT. C. SCHENCK.

Across the face of this note is this memorandum:

Secured by collaterals.

Upon the back of the note are the following indorsements:

Jan. 8, 1872. Paid on this five hundred pounds, (£500.)
Rec'd Oct. 7, 1872, eighteen hundred ninety-four pounds seven and thre
(£1,894-7-3.)
Rec'd Dec. 11, 1872, two thousand five hundred pounds, (£2,500.)
Surrendered on final settlement and payment of balance, May 13, 1874.
(Signed) T. W. I

The first indorsement on the back of that note is in my handv
The second indorsement is in Mr. Park's handwriting. Th
indorsement is also in Mr. Park's handwriting. The fourth i
ment is in my handwriting, but signed "T. W. Park."

The next paper which I offer is in the handwriting of Mr. Par

Whereas Robert C. Schenck proposes to subscribe for (£10,000) ten t
pounds, par-value stock or shares in the Emma Silver Mining Company, (li
company proposed to be formed in London; and whereas I represent the owne
property to be sold said company, and am the vendor of the property to be c
and receive in part payment of the purchase-money the amount to be paid
Schenck on his proposed subscription:

Now, in consideration thereof, and of other good considerations, I hereby
and agree with said Robert C. Schenck that said stock or shares shall pay div
two per cent. per month, while held by said Schenck, or that I will at any
the request of said Schenck, take from him said stock or shares and pay him
the par value. Provided, always, that if at any time I offer to take said shares
from said Schenck, and pay him therefor the par value, and said Schenck de
receive par for said stock or shares, then I shall from that time be fully dischar
this agreement.

T. W. I

LONDON, *November* 1, 1871.

At the bottom, in my handwriting, is a memorandum to this e

DECEMBER 2

MEM.—I have agreed that the guarantee of the dividend of two per cent. p
shall be reduced to one and one-half per cent. per month.

ROBERT C. SCH

Here is another paper executed at the same time in my ow
writing:

LONDON, *November*

Having this day made and delivered to T. W. Park my promissory not
thousand pounds, the consideration for which is, that sum to be paid for five
shares in the Emma Silver Mining Company, and with the agreement tha
number of shares of the capital stock shall not be allotted to me on distrib
the board of directors, he, the said Park, shall make up to me that number; n
further to secure to the said Park the said £10,000 in one year from this date,
agree to assign, and do assign, to him, with power to demand a transfer of the
the books of the company, four hundred and seventy-five shares of my said st
the same is allotted or assigned to me, at the end of one year from this date
time thereafter, and to apply the proceeds, not exceeding the amount then du
note, to the payment thereof. And, in addition to this pledge of stock, and
security on said note, if required by said Park, I hereby agree to execute an
to him at any time within one year, on demand, a mortgage of my house a
Washington City, in the United States, at the corner of Fourteenth street an
chusetts avenue, which I claim to be worth at least thirty thousand dollars, a
antee to be subject to no other incumbrance, except a deed of trust and not
thousand dollars ($5,000) in the hands of Riggs & Co., bankers of that city,
part of the purchase-money yet due from me, and held for the benefit of Mrs

Witness my hand and seal, on the day and year above written.

(Signed) ROBERT C. SCH

Across the last page of this paper the following indorsement is w

Mortgage given for balance due, and this paper canceled and given up o
ment.

T. W. I

MAY 13, 1874.

Among the reasons presented to me, and of course a very important one, by Mr. Park, why I might find it to my advantage to go into this mine and make a purchase of some of its stock, was that it had proved already to be a most productive property, and that they were making arrangements with somebody to put it upon the market in London—I have since understood it was Hankey; I remembered the name Coates only, Coates & Hankey—and that it was agreed that they would be able to offer to divide regularly 2 per cent. a month. And so satisfied was he of that, that he guaranteed to me that it should be a property worth to me 2 per cent. a month on the investment that I should make. This committee will observe that it was afterward changed to 1½ by the scribbled note at the bottom here, which Mr. Park requested from me; and it was a month or so afterward that this was done. That was upon the information that they had overrated the dividends which were likely to be made, and that he had made a contract which was rather unreasonable on his part, in agreeing to guarantee dividends which would be beyond what the company would pay. It was, therefore, reduced to 1½ per cent., which 1½ per cent. was the dividend that for thirteen months afterward was regularly paid to myself and every other stockholder.

It has been intimated and reported that this guarantee was a secret one. Well, it was no more secret than any other contract made between two individuals who have no occasion to tell the public what they are about; but it has been alleged that it was secret because it was withheld from the knowledge of my colleagues, as they were afterward—the directors or managers of the mine. I wish to explain, in regard to that, that at that time there were no colleagues there to keep it secret from. There had been, so far as I know, no organization of a company, and I think there was none.

I now advance to the question of my consenting to become one of the directors of this mine, which, as I have since been inclined to think, is the great mistake that I made.

This contract, made in the last days of October, reduced to writing and closed, as I have stated to you, on the first day of November, was entirely completed without any suggestion up to that moment having ever been made to me that I should have anything to do with the management of the company. That I wish to have clearly understood. Within a day or two after that time—I should think now it might have been as much as two days—it was suggested to me, perhaps first by Mr. Stewart, but by either Park or Stewart, that I ought to be one of the managers of the company. I at first demurred to any such idea. Arguments were presented to me why I should be a manager; it was stated that Park and Stewart and Mr. Baxter, the latter of whom I do not know—I think I have never seen him—would be American directors, but that they wanted somebody who would be in London who was an American, to represent, and in some sense, if need be, to protect American interests. That seemed to be a very plausible reason, but I still objected; and I placed my objection first upon the ground that I doubted the propriety of my having anything to do with the management of a company, while I was there in a representative capacity, and that I certainly should not have anything to do with it unless I could first be satisfied that there were precedents for anything of that kind, or that it was not deemed improper by some persons whom I might consult upon the subject, and whose judgment might help to influence mine. That consideration stood first in the way of everything else, although I apprehended the force of the reasoning, that it would be well to have somebody to represent the American interests, and particularly as it

was pressed upon me, who had before this consented to become (for me at least) pretty largely interested in the mine. I also said that there would be another condition absolutely necessary to be complied with, even if the first objection were removed, before I could ever have anything to do with the management of a company of that kind: I must know who were going to be the directors. At that time I had not yet heard the name of a single person mentioned who either had agreed, or was asked, or expected to become a director.

Just before I testified, on the day on which I went up to testify in London, before that commission, looking over masses of papers and old letters, I found a letter which I made an exhibit with that deposition. I do not know whether there is a copy of it here or not. It was a letter from Mr. Stewart to myself, dated on the 3d of November, 1871, which I read to the committee:

LONDON, *November* 3, 1871.

MY DEAR GENERAL: I have called twice to see you. Failing to see you, I send this note. They have been very successful in securing directors for the Emma. The following names have been agreed upon, namely:

E. Brydges-Willyams, M. P. for Cornwall, banker and smelter; very wealthy and high character.

E. Lee Pemberton, M. P. for West Kent; large landed proprietor.

Hon. John C. Stanley, heir to Lord Stanley, of Alderney; very wealthy.

The names under consideration and not yet decided upon are:

George Anderson, M. P. for Glasgow, coppersmith; large wealth.

Anthony P. Mendella, M. P. for Nottingham.

Sir William Grey, late governor of Bengal.

We may have nine directors, but they will all be of the standing of the foregoing names. I leave to-night for Paris, with my family. Shall return Sunday night. Hope to see you Monday. By that time you will have learned all about the names proposed.

Yours, truly,

WM. M. STEWART.

Hon. ROBERT C. SCHENCK,
Minister of the United States at London.

That was the first notice to me of the name of any gentleman who was expected to be a director. I here desire to remark that at that time I was not acquainted, I think, with either of these gentlemen—I had never met either of them.

This, perhaps, requires a little explanation. I went to England in June, 1871. I had been employed upon the commission for negotiation of the treaty of Washington from my first appointment in December, 1870; detained here first, then entered upon the negotiation in February, and did not arrive in England until early in June, 1871. I was entitled, under the law, to sixty days' leave of absence for the year. I had taken that sixty days; during that summer I traveled with my family, and with Mr. William M. Evarts and his family, on the Continent, on the Rhine, and in Switzerland, and the consequence was that out of some five months from the time of my arrival I had only about three months in England, and had, therefore, not made the acquaintance of many public men, except those immediately connected with the government, nor had I acquaintance with people who were in business in London, some of whom I afterward came to know pretty well. This, perhaps, explains to you what I have stated as a fact, at least, that I did not personally know a single one of these gentlemen.

When Mr. Stewart's letter was received, the first gentleman of whom I made inquiry was Mr. Moran, the secretary of legation, who had then been for some twenty years living in England, and had a very general acquaintance. I got, also, at the time I made the inquiries of him, the *Parliamentary* Record, corresponding with the Congressional Directory

e. I found that these were members of Parliament. I was told by . Moran, and afterward told by others, that they were gentlemen of highest respectability and character. That met, so far, at least, the uiries I had made as to who were to be my associates, for I had rred that under no circumstances would I become a director, in case ould find it proper for me to do so, unless I were associated with tlemen of the highest respectability, because I placed, as I hoped, roper appreciation upon my own position there as an officer of the ted States Government. These gentlemen, who are named here, Willyams, Mr. Pemberton, Mr. Stanley, and Mr. Anderson, did after- d become directors. Mr. Mundella did not. Mr. Wm. Grey, the governor of Bengal, did not. Four, therefore, of the gentlemen e named, three of them being members of Parliament, were gentle- n with whom I was afterward associated in the board.

o return to the objection that I made in regard to the propriety of being on the board at all It was a matter of conversation between se gentlemen and myself, and of inquiry, whether there was a pro- ty in it or not, as you may understand from what I have said; and e reference was made, I remember, to Governor Dix having con- ed to be president of the Union Pacific Railroad. I did not think t was precisely in point. Cases more in point were referred to, one g that of the Brazilian representative, who had been on a board or poration of some kind in London. Finally, somebody gave me the spectus of the Lisbon Steam Tramways Company, and upon looking hat, I found that here was a case precisely in point, or, as lawyers , on all-fours—rather more than that. I found that the Field Mar- l the Duke of Saldanha, who is even a historical character, was the son to whom a concession had been made by the King of Portugal right to construct steam tramways; that he had made some arrange- nt by which this property was put upon the market in London, and oint-stock company formed, and that he was borne upon the list in prospectus, not merely as one of the directors, but as chairman of board of directors.

he first I saw of this, it was published in the newspapers; for at that e the prospectus was in the various newspapers of London, in the al way, attracting the attention of the public to it. Subsequently, r it had been produced to me in that shape, I was furnished with a y of the prospectus itself, which I desire also to present to the mittee as a part of my statement. In this it will be found that ng the directors are his excellency Field Marshal the Duke of lanha, envoy extraordinary from the government of Portugal, Lon- , chairman. Then follow John Chapman, esq., Lord Henry G. Len- , and others, directors. Lower down I find that "arrangements have n made for the acquisition, by this company, of the concession—con- ed by royal decree of His Majesty the King of Portugal—granting is excellency Field Marshal the Duke of Saldanha for ninety years," ; and that was the property which was thus offered. Then I find excellency the Duke of Saldanha referred to as the person who had en the various matters of information which will all be before the mittee. That I desire to present as a part of my statement.

he prospectus is as follows:

sue of 20,000 shares of £10 each, being the capital of the Lisbon Steam Tram- s Company, limited.

ncorporated under the companies acts of 1862 and 1867, by which the liability of ery shareholder is limited to the amount of his shares.

hare capital, £200,000, in 20,000 shares of £10 each.

Deposit on application £1 per share, and upon allotment £2 per share.

The balance payable as follows: £2 on 1st September, 1871; £2 on 1st November, 1871; £3 on 1st January, 1872; with option to subscribers of paying the whole amount of the shares on allotment, in which case interest, as referred to herein, will accrue from the date of payment thereof.

Directors.

His excellency Field Marshal the Duke of Saldanha, envoy extraordinary from the government of Portugal, London, chairman. John Chapman, esq., chairman of the Great Southern of India Railway Company, London, deputy chairman. Lord Henry G. Lennox, M. P., director of the National Bank, London.

Charles J. Appleby, esq., (deputy chairman of the Buenos Ayres National Tramways Company, limited,) London.

William Dent, esq., (chairman of the Oude and Rohlikund Railway,) London.

Captain C. E. Mangles, (chairman of the Royal Mail Steam-Packet Company,) London.

Francis Tothill, esq., (director of the Monmouthshire Railway Company,) London.

Committee in Lisbon.

His excellency Count D'Azinhaga, Lisbon.

His excellency Don Francisco D'Assis D'Almeida, Lisbon.

Engineer, Frederick H. Trevethick, esq., C. E., 6 Westminster Chambers, S. W., London.

Bankers: the Union Bank of London, 2 Princes street, E. C., London; the Bank of Portugal, Lisbon; the Bank of Portugal, Oporto.

Brokers, Messrs. J. & A. Scrimgeour, 18 Old Broad street, London, E. C.

Solicitor, Charles Morgan, esq., 15 Old Jewry Chambers, London, E. C.

Secretary, Laurence Keith, esq.

Offices, 8 Great Winchester Street Buildings, E. C., London.

This company has been established under the immediate patronage of the King of Portugal, with a view of giving to the important city of Lisbon, the capital of the kingdom of Portugal, the advantages of communication, by means of steam tramways on the public roads, with the important districts of Cintra and Torres Vedras.

With this view, arrangements have been made for the acquisition by this company of the concession—confirmed by royal decree of His Majesty the King of Portugal—granted to his excellency Feld-Marshal the Duke of Saldanha, for ninety years, for the important lines of steam tramways from Lisbon to Torres Vedras, by way of Lumiar, Charneca, Lowres, Lousao, Malveira, Gradit, St. Suero, and Tracifal; also from Cascaes to Cintra, by way of Bujarda, Alcabideche, and St. Pedro, and thence to Pero Pinheiro, and for the further acquisition of the line from Lisbon to Cascaes by way of Belem, Paço, D'Arcos, and Oeiras, the necessary authorization for which has been obtained from the Duke of Saldanha, the official concessions being in course of preparation, the whole being marked in red on the accompanying plan.

The city of Lisbon, which contains a population of 300,000 inhabitants, is the center of the extensive trade of Portugal.

The great residential suburb of Lisbon is Cintra, the marvelous beauty of which is so well known as to require scarcely any further reference. It is the resort of thousands of persons at all seasons of the year, and especially during the summer months is thronged by persons anxious to exchange the intense heat and closeness of the capital for its delightful atmosphere and mountain views. Most of the Portuguese nobility and Lisbon merchants have their seats here, and the traffic to and from Lisbon is enormous.

Between Pero Pinheiro and Cintra, and thence to Lisbon, a great traffic exists in connection with the well-known marble-quarries and works at the former town.

In addition to a very remunerative passenger-traffic between Torres Vedras and Lisbon, great quantities of goods and produce will be carried on this portion of the tramway, and the low rates which this company will be enabled to accept for transport of goods, as compared with the charges hitherto paid by merchants—being estimated at fully 50 per cent. less than heretofore—will doubtless cause a great increase in the traffic, which is already of a very important character.

The length of these lines is as follows:

		Miles.
First section—	Lisbon to Lumiar and sidings is about	6
	Lumiar to Torres Vedras is about	29
Second section—	Lisbon to Cascaes is about	17
	Cascaes to Cintra is about	9
	Cintra to Pero Pinheiro is about	8

Being a total of about sixty-eight English miles.

The system of tramways adopted by this company is that known as the Larmanjal system, which is an important improvement upon the mode of constructing tramways hitherto adopted, the chief feature being the great facility it affords for traveling on roads of irregular formation, as those are of Portugal, at a speed hitherto unattainable. Engines constructed on this system are able to ascend and descend steep gradients, capable of being worked on any public road, and travel at a speed of from twelve to fifteen miles per hour.

This system of tramways is protected by letters-patent granted by the Portuguese government, and this company has acquired the necessary license to work such patent upon the lines now about to be constructed.

A contract has been entered into with Messrs. Edwin Clark, Punchard & Co., of London, for the construction of the lines, erection of stations, and a complete equipment of rolling stock, consisting of 26 locomotive engines, 75 railway-carriages, 80 goods wagons, 6 baggage-cars, for the sum of £309,810, payable as to £190,000 in cash, and the balance in cash or debentures, at the option of the company. This sum includes the acquisition of the concessions and the license for the patent rights, and also all payments incidental to the formation of the company.

According to the terms of such contract, the entire system is to be completed and in full working order by the 31st of December, 1872, during which period the contractors have agreed to pay interest upon the paid up capital of the company at the rate of 7 per cent. per annum, payable half-yearly; the first payment of interest will take place on 1st of January next. The portion of the line from Lisbon to Cintra will, however, be completed at a much earlier date.

The capital of the company consists of £200,000 in 20,000 shares of £10 each, now offered for public subscription, with power to issue £150,000 debentures; thus providing sufficient capital for the construction of the whole of the contemplated works.

From the estimates of the probable traffic of the tramways to be constructed by this company, founded on returns from the municipal authorities, furnished by his excellency the Duke of Saldanha, there can be no doubt that the traffic will be unusually large, as these lines have three distinct sources of revenue available; namely, passengers, goods, and produce, each of which would suffice for a satisfactory return on the capital, but which, combined, afford every probability of dividends of an unusually remunerative character.

This result will be further greatly facilitated by the very small cost of construction, which, including the whole of the rolling-stock, acquisition of concessions, &c., is about £4,500 per mile, a result hitherto unexampled; the cost of the tramways of the existing companies, both in England and on the Continent, ranging from £7,000 to £10,000 per mile.

Tramway shares have proved to be a most desirable form of investment, as is evinced by the high premium on the shares of the various companies now established—in many instances reaching from 40 to 50 per cent. premium—and there is every ground for expecting a steady increase in the value of the shares of this company.

The directors, in introducing this company to the notice of the public, consider it to be an undertaking of unusual promise, being formed under high auspices, and having secured a legitimate field for its operations.

The privilege of paying the shares in full on allotment is reserved to applicants, who will in such case be entitled to receive interest at the rate of 7 per cent. per annum on the full amount thereof, as before referred to.

Applications for shares must be made to the bankers, accompanied by a deposit of £1 per share, on the form inclosed herewith.

The articles of association, agreement with contractors, and copies of the official documents relating to the decrees and concessions, can be seen at the offices of the solicitor of the company, 15 Old Jewry Chambers, E. C., London.

Prospectuses and plans can be had on application at the offices of the company, 8 Great Winchester Street Buildings, E. C., London; at the bankers of the company, the Union Bank of London, 2 Princes street, E. C., London, and at the brokers, Messrs. J. & A. Scrimgeour, 18 Old Broad street, E. C., London.

By order of the board of directors.

SALDANHA, *Chairman.*
LAWRENCE KEITH, *Secretary.*

8 Great Winchester Street Buildings, London, E. C., 7th July, 1871.

The following are the particulars of the contract entered into by the company and referred to herein:

Date of contract, 6th July, 1871.

Names of the parties to the contract: The Lisbon Steam Tramways Company, Limited, and Messrs. Edwin Clark, Punchard & Co.

The following is a copy of the Mem randum of Associati n of the Company:

MEMORANDUM OF ASSOCIATION.

First. The name of the company is The Lisbon Steam Tramways Company, Limited.
Second. The registered office of the company will be situated in England.
Third. The objects for which the company is established are:
1. To acquire concessions granted, or to be hereafter granted, for constructing, maintaining, and working tramways and railways in the kingdom of Portugal.
2. To apply for, acquire, and obtain further grants or concessions for constructing, maintaining, and working tramways or railways in the kingdom of Portugal aforesaid, and to obtain and acquire letters-patent for inventions connected with the construction, maintaining, and working of tramways or railways, or licenses or rights of user thereof.
3. To build, construct, lay down, and maintain tramways and railways in the kingdom of Portugal, and all works in connection therewith, and to work, run, conduct, manage, and carry on the same, in pursuance of the grants and concessions aforesaid, and otherwise.
4. To purchase, construct, and build, or otherwise obtain, provide, and supply, cars, omnibuses, wagons, and vehicles for the conveyance of passengers and goods, and locomotive-engines, materials, rails, sleepers, plant, rolling-stock, and appliances, and also motive-power for working tramways and railways.
5. To purchase, rent, or otherwise acquire such land and buildings as may be necessary for the purposes of the company.
6. To sell, lease, exchange, transfer, part with, or dispose of the business, concessions, letters-patent, patent rights, property, tramways, railways, works, stables, cars, engines, horses, plant, materials, and appliances of the company, or any of them, or any part thereof, either absolutely or otherwise.
7. To obtain for this company all the rights, privileges, and advantages of a joint-stock company, by Portuguese or any other foreign law, or to amalgamate with any other company, English or foreign, carrying on business of the like or a similar character.
8. To do all such other things as are incidental or conducive to the attainment of the above objects.
Fourth. The liability of the members is limited.
Fifth. The capital of the company is £200,000, divided into 20,000 shares of £10 each.

At that time I knew the Duke of Saldanha, as I had come slightly to know a few of my colleagues. I knew him to be the oldest diplomat at that court. He had represented his government for a great many years in London at a previous period; had married there; had then been engaged in the government of his country. I believe he was about eight times at the head of the government of Portugal, and I have heard it said that at one time, in some of their convulsions there, he was offered the crown. But he had then been back in England again, where he had married during his first residence as a minister.

I thought, therefore, that it was a very strong precedent indeed, and that determined me, more than any one thing, that bore upon my mind and judgment, that it might not be improper for me, with such an example from an old diplomat before me, to permit myself to be named among the managers or directors of a company of this sort. Afterward I became exceedingly well acquainted with the Duke of Saldanha, but was not so well acquainted with him at that time. I had nothing to do with the preparation of a prospectus. I satisfied myself, by an examination of the papers that were submitted to me, that the statements made in that prospectus were correct, but I did not assist in its preparation. Possibly I may have suggested a word about its being an exceptional case in my opinion, the great value of this mine; although I do not know that I even did that. The prospectus was published in the papers in the usual way, and it was issued in the form in which it is probably before the committee.

Mr. HEWITT. I understood you to say you saw it before it was issued.

The WITNESS. No; I am not sure I saw it. It is possible I did; I think probably I did—that I must have seen it before it was issued

it this is what I wish to say: I became perfectly satisfied, from my amination, which was made on my own account, and with a view to own interest in the property, that the statements contained in that spectus were sustained by the papers submitted to me, which, as I d before, were diagrams of the mine, accounts of ore that had been pped, accounts of sales of ore, and Professor Silliman's report, which the fullest and most complete thing, and which sustained, as it med to me, more than almost anything else, the general statements he prospectus.

t was not long after this that some comment was made, in the city, n my being a member of a board of directors of a company which offering a property on that market. It annoyed me, as you may y well understand, very much, to see that these criticisms were made he papers.

Ir. MONROE. Where were they first made; in England or in this ntry?

'he WITNESS. The first that I saw was something copied or telephed as having been published in the Evening Post, of New York, purporting to come from the Economist, in London. I remember t, because it led me to look for the Economist, and I found that the nomist, which contained some not very severe criticisms, but some arks upon what seemed to be an impropriety in this connection, was, hat very time, and for some time previous had been, publishing the spectus of the Tramways Company, as other papers did, attracting ntion to it without any comment upon the Duke of Saldanha. ether it was because I was an American, or because of a general picion about mines and mining property, which is always a rather ardous enterprise, I do not know. But for some reason or other my nection attracted attention, while a like connection of another diplo- t did not seem, at that time, at least, to receive notice. It may have e so afterward, and I think it did. When I saw this comment, I le up my mind at once that perhaps I had permitted myself to be wn into what was a mistake in consenting, under any circumstances, e one of the managers of the company. I sat down and telegraphed nce to Mr. Fish, as Secretary of State, calling attention to the fact t I had invested my own money, paying dollar for dollar—that is, ey which I had made myself responsible for—for my shares in th s pany; that it had been a subject of criticism, to my pain and su - e, and that I would at once withdraw from the direction, or take other course which the President might think proper, because I not want to embarrass his administration; I did not want to mischief to my own country or its Government; by which I nt that if they then asked me to resign, I should instantly ply with the request. I received a telegram in reply, to which all your attention, although I think you must have it already roof before you, because I want to show that, so far as my relation h the Government is concerned, the initiative was taken by me. I l heard nothing from the Government in Washington until I received s reply. The substance of the reply was, that while the Government ognized my right, as of any other citizen, notwithstanding my official racter, to invest in any honest enterprise in which I might be dis- sed to put my money or take chances, they did not think it was visable or proper, but that it was an indiscretion to become interested engaged in the management in any way—I do not recollect the pre- e words, but you have them before you—of a company that was put- g its shares upon the market of the country to which I was accred-

ited, and they earnestly advised that I should withdraw. My dispatc was sent, I think, on the 27th. The reply to it, I think, was dated the 29th. Am I right in that?

Mr. FAULKNER. The 28th, I think.

The WITNESS. I think at some stage of this inquiry it has been communicated to the committee from the State Department.

Mr. BANKS. Yes, it is December 28.

The WITNESS. Well, when I send dispatches from London they ordinarily reach here about five hours earlier in the day than they are sent, owing to the difference in time. When I receive dispatches they arrive usually in the night or early the next morning. Generally, if they are of importance, I am awakened, as I was during the difficulties in reference to the Alabama matter, about 3 or 4 o'clock in the morning, to receive dispatches which were being transmitted; so that my remembrance is, and the fact would necessarily be, that I got that dispatch some time during the morning of the 29th. I at once made up my mind to comply with that suggestion and to resign. I rather think I should have done it without that, but of course it settled the matter in my mind. I ascertained that there would be a meeting of the directors on the 1st day of December. To that meeting I went. I do not think I went into the particulars at all with the board; but I stated that I had conferred with my Government, and that they had fortified me in the opinion that, in consideration of the criticisms which had been made, I must withdraw from that board; and I announced my decision as positive, that I would resign from the board. This was on the 1st day of December, I think. By reference to papers, I find that it was upon that day.

The board expressed a great deal of regret that I should do so, and they were very unwilling that I should resign—some of them. Some of them acceded at once to the reasons as I briefly told them, but all of them would have preferred that I should continue. I afterward wrote my resignation, to be sent in when I understood or supposed the next meeting of the board of directors would be held, and that will be found to have been on the 6th day of December. I have a copy, the rough draught, of that resignation here, which, among papers scattered in drawers and elsewhere, I found just prior to the day I was examined before the commission in London. It is as follows:

LONDON, *December* 6, 1871.

SIR: I hereby resign my place as a director of the Emma Silver Mining Company and request you to communicate this notice of the fact to the board at their next meeting.

In thus withdrawing from the trust reposed in me, I desire to express to my associates in the management of the company my sincere and high appreciation of each and every one of them, as gentlemen of distinguished position and character, with whom it has been to me a pleasure to be connected; and I beg also to record my earnest assurance to you and to them, that in giving up this position I am controlled by considerations purely personal to myself, and that I continue to have the fullest confidence in the value and profitableness of the property they have in charge, in which I still hold all the shares I have been able to take.

I am, very respectfully, your obedient servant,

GEORGE ANDERSON, Esq., M. P.,
Chairman, &c., &c.

That was written by myself, without the aid of anybody, and it did undergo some modifications, which will appear upon the face of it. Perhaps it is unfortunate that I should not be in the habit of keeping copies of letters or papers generally that I write, but so it is. Now and then I do keep the rough draughts, taking care that it precisely corresponds with the one I send off; but I think, if you refer to the records

ıa Mining Company, you will find this to be *in hæc verba* the which was presented and acted upon.
ıve to call the attention of the committee to this, as some-een said about its having changed its form. As I first wrote the close, besides some other verbal alterations, "in which ly continue to hold, as a desirable investment, all the shares able to take," and so on. It occurred to me, and I am not that in conversation with Mr. Park I said to him, "I am my resignation, but I do not think I ought to pledge myself hold on to the stock, because it may be I will want to sell lthough I took it as an investment," and therefore I altered ›xpression of a determination to hold on to the stock to the aterial and different statement that in this property, which n charge, "I still hold all the shares I have been able to ch was the fact then and is the fact still.
gnation was not prepared nor written until the 6th, as I that in three or four or five days there would be another the board. I had stated, at the meeting on the 1st of my intention to resign. I went away before the board ad-d upon that occasion it was that I saw—I think the only life—Mr. Albert Grant. I had no acquaintance with Albert hen I went into this matter, I did not know that there was ı in existence as he; and although a person in New York ell be supposed not to know any of the great speculators only explain and account for it by saying that at that time ody in what is called the city of London, beyond J. S. Mor-firm of J. S. Morgan & Co., Americans, Messrs. McCulloch ›n, of the firm of Jay Cooke, McCulloch & Co., and perhaps ;, of the house of Baring Brothers, whose acquaintance I ome few years before that, when I was in London. This per-explanation. That portion of London beyond Temple Bar ıme relation to it that Wall street bears to the city of New ›t that it is upon a larger scale. I do not suppose I have ıt is called the city of London three times in the past year. y went to the city, and up to that time had nothing to do ›pt to draw upon my bankers, with whom I had an account, o not happen to be among those who knew who were the ›r promoters of schemes in the city. And besides, when I going into this management, and consented to do so, my ad only been attracted, so far as I knew, to one name. I do ›er Hankey, although they say he was associated with it, but Coates. I remember remarking, that although I did not Coates, it was a Quaker name with which I was somewhat

ring consented to become a member of the board of direct-ıded two meetings besides this one on the 1st of December, ıt to announce my purpose of resigning. I was at a meeting 28th of November, and at one held on the 30th of Novem-ɜ were the only two meetings that I ever attended prior to 1st of December.
1st of December having resigned my place on the board, for ı which I have stated, I never went near a meeting of the rectors or of the company again. I have taken no part, of ı its management, except upon one or perhaps two occasions, e given a proxy to some one to vote on my stock at some eting of the shareholders, and particularly once when I disa-

greed with the late, what is called, Gardiner board, about the propriety of winding up, for I thought it was a valuable property, and ought not to be wound up; and I voted with that party which was headed by McDougal, or instructed my proxy, in the paper which I gave him, to vote against the winding up of the company. That was, may be, about a year ago. But I wish to state distinctly that, excepting those two meetings at the close of November, and this meeting on the 1st of December, which I attended for the purpose of making known to my colleagues what I knew would probably not be agreeable to them, with whom I had become pretty well acquainted by that time, I never attended a meeting of the board of directors, or a meeting of the Emma Mining Company shareholders.

The company was organized with a board consisting of these gentlemen who are named, and Mr. Percy Doyle, who was in the diplomatic service of Great Britain, on retirement, however, and had been minister to Mexico, and perhaps elsewhere; was brought up in that service.

The CHAIRMAN. He was here, was he not?

The WITNESS. I do not know; perhaps he was here as secretary. He was a very nice gentleman. He was not among those named to me in the letter of Mr. Stewart, on the 3d of December; but I afterward found him on the board. My association with Mr. Brydges-Willyams, Mr. Pemberton, Mr. Anderson, and Mr. Stanley, (who was not at the time a member of Parliament, but was connected with a very aristocratic family there, heir, I think, to a title,) and Mr. Doyle and these other gentlemen, the English directors, was such that I came to know them very well, and it was for that reason that I spoke of them as I did personally in my letter of resignation, so that they should not feel that it was anything except a consideration of my own status and position which led me to tender my resignation at the time as I did. I think I have stated all I need to as to the circumstances connected with my becoming a director and a shareholder of the company.

Mr. Park, or Messrs. Park and Stewart, and the vendors generally—I think it was Mr. Park principally—retained a very large number of the shares, and that was one of the things which helped to give me confidence in the company as a good investment if I should buy shares in this property. He seemed to want to have something like a controlling influence by the number of shares that he should retain There was some reason (which I do not know enough about the London Stock Exchange to understand, but it was in connection with getting a quotation upon the Exchange,) why the directors insisted that Mr. Park should not continue to hold so many of the shares, and that he must permit those shares to be put upon the market to be purchased by others, and if they were retained by the vendors the proportion of them would otherwise prevent their getting admission in some way to the Stock Exchange. I confess I do not understand the rule, but that was the substance of it.

He, therefore, proposed to sell to the company, or they asked him to sell to them (this I understand, because I was then out of the board and had nothing to do with it,) eight thousand and upward of these shares. I think I am right in the number, but I will not be positive about it. I think it was 8,500 shares. And I, like other original shareholders, having nothing now to do with the management of the company, received notice that these shares would be offered in the first place for distribution among the original shareholders who would make application for them. A much greater number of shares was applied for than were to be sold; because, at that time, the Emma Mine, as a

property, was not abused as it is now, but everybody was anxious to get shares and to be interested in some way or other in it.

I was going away to Paris for a few days, and I left an application for some of these shares. My present remembrance is (I think it will be verified by an examination of the papers, which I have not had the opportunity to refer to) that I applied for five hundred shares. I did not intend to keep those shares if they were allotted to me; I meant to make money out of them if I could, for the reason that, as I was advised by the circular of the company, they were to be turned over to the company by the vendors at, I think, £23 a share, and I knew that at that very time they could probably be disposed of at something like a pound a share more, and that they were more likely to rise in the market than to fall, because at that time the stock was going up. I determined, therefore, to get all I reasonably could, even to doubling the number of those I held. They would not give me the five hundred shares. I left my application with Mr. Park. I here desire to say, that when, in my deposition in London, I spoke of Mr. Park as having no interest in those, I meant that any profit I could make out of them was to be mine. He undertook to carry them for me for the few days that I might retain them, and I consented that he should do so, and was very glad to get him to do so. He seemed to be flush with money and to have plenty of shares, and I was very willing to make some money if I could out of it in that way. But I left the application to be put in for five hundred.

Three hundred shares were allotted to me, and within some ten, twelve, or fifteen days from that time I had those shares sold by a gentleman who acted for me, and to whom I gave an interest in them as my partner, (an American gentleman,) signing in blank, to be signed by the purchaser, the transfer form which is used. That transfer form, as it was afterward shown to me, was signed by Mr. Fisher as the person to whom they were transferred. Of that I knew nothing. I signed it in blank, as the custom was to do. But neither Mr. Fisher nor any one else had anything to do with an interest in the shares. Mr. Park carried the shares for me. I sold them as soon as I could, and made a profit out of them, amounting to somewhere about £2,000, for myself and the gentleman to whom I gave an interest with me. That was the best interest I ever had in the Emma Mine, as it afterward turned out.

Mr. MONROE. The profit was five or six pounds a share?

The WITNESS. I do not recollect exactly, but I remember our gain was something like that. The consequence was that I and my friend both got a good deal excited at the prospect of making money by the rise of these shares, which seemed to be an investment of the most profitable character, and in a most promising mining-property; and we afterward went in for the purchase of 500 more on our own account, which were not awarded by the company in this way to stockholders, but which we had to buy in the market. We bought these 500 I think, along in the month of April, or the 1st of May; I do not remember the precise time, but I think it must have been in April. We had an arrangement with Jay Cooke, McCulloch & Company, bankers, to carry them for us. We put in as a margin the £2,000 that we had made. We bought at £30 to £31. (I think the highest point the shares ever reached that I knew or heard of was something like £32.) We carried them. They never got to that point again. They went down. In June, or when the caving of the mine took place, they took a very considerable tumble; we got scared and troubled, and I did everything I could to make up for

my loss in some way or other, to devise some scheme by which I should get out of this, but could not see any.

Finally, when the great tumble took place in December or January, that is, at the end of the thirteen months' dividends that were made, (for I was all the time getting dividends on my original shares,) I received a telegram from Mr. Park advising me that he did not believe the dividends would be paid, and I concluded to sell out. I should have so concluded at any rate, but I did not know very well what to do. Still, I unfortunately hesitated. A gentleman who was with me over in Paris, Colonel Cheseborough, one of my secretaries, went over to see Jay Cooke, McCulloch & Company, and advise with them as to what had better be done with these shares, the other gentleman interested in them being in America.

Finally, we sold out at a loss of about £14 on each share. This swept away the £2,000 which we had put up as a margin. It swept away another sum of £1,894 of which I shall speak presently, and which is mentioned in that note; and it left me still indebted, for I had guaranteed the whole matter to Jay Cooke, McCulloch & Company, covering my partner's interest as well as my own, (it left me minus somewhere between £4,000 and £5,000,) which I eventually settled by buying a draft, raking and scraping together the means, and borrowing some money in May, 1874, (when I came over here two years ago to settle up this and various matters,) which amounted to £3,000, and which I sent to Jay Cooke, McCulloch & Company. In the mean time there had been a failure, as is well known, and this house were willing to liquidate at less than appeared upon the face of the obligations, and they made an offer to me that they would take £3,000 for what I think had amounted to more than £4,000. All the time that they had been carrying shares they had been receiving dividends at the rate of 1½ per cent. a month on them, but there was that balance against me.

I paid up that draft. I remember it; I have been able to refer to it in my accounts. It was $16,666.67, and my greatest regret is that I should have been in a position where I availed myself of a generous offer of that kind, made by Jay Cooke, McCulloch & Co.; and I have no objection to the committee repeating what I say to any of that firm, for I have said it myself. If ever I am able, I mean to pay them yet the amount of the deduction which they made from the sum which they could justly claim against me. These were my transactions, made by myself in the stock, subsequent to my original subscription.

To go back to my original subscription: I have here my certificate. I took 500 shares. Mr. Isaac C. Bates, a very intimate friend of mine, who died last September, and his wife, also a great friend of mine, whom I have known for thirty years, were living in Paris, and they heard about the Emma Mining Company, and were anxious to have some of the shares. I agreed with them that out of any shares which might be allotted to me on my application, which I was able to buy, I would let them have some; talked about 50 shares. It finally resulted in my letting them have 25 shares, for I was not very desirous of parting with any. I therefore transferred the 25 shares to Mrs. Bates. It was a New Year's gift, I believe, from her husband. Yesterday I found among some papers a contract which I sent over to Mr. Bates for the transfer to his wife of these shares. It was returned to me when I sent the certificate. It is as follows:

JANUARY 1, 1872.

Received this day of Mrs. Fannie Bates five hundred pounds sterling, (£500,) which *is full* payment and consideration for twenty-five (25) shares of the capital stock of *the Emma* Silver Mining Company, (limited,) of London, each of said shares being £20,

paid up. And further, for said consideration, I have agreed and am hereby
t her proper cost and charges, to transfer and convey, in due and legal form
ner, the said shares to her, or to any other person for and in her behalf, at any
after, when and as she may direct or require.
s my hand on the day and year above written.

ROBT. C. SCHENCK.

e up my original subscription for 500 shares, and had 25 shares
tificate to her and in her name, and the remaining 475 shares to
so that these 475 shares are part of that original subscription;
m inclined to think I am probably one of the very few original
ers who yet hold shares, at any rate to that amount. There is
ificate for the 475 shares which I have held to this day. I do
w but I had better have sold them when I could have done so
twice, when they were up into the 30s or above the 20s; but I
n criticized and abused so much that I—— I won't say I swore,
etermined that, sink or swim, I would hold on to my original
and let people say what they might about my having gone into
pany. The following is the certificate referred to:

·] Shares of £20 each.

The Emma Silver Mining Company, limited.

to certify that Robert Cumming Schenck, of 58 Great Cumberland Place,
k, is the proprietor of four hundred and seventy-five shares, of twenty pounds
. 17209 to 17683, both inclusive, in the Emma Silver Mining Company, lim-
ject to articles of association and regulations of the company, and that the
fully paid up.
under the common seal of the company, the thirty-first day of January, 1872.

J. C. STANLEY,
T. W. PARK,
Directors.
W. H. TOOKE,
Secretary.

sfer of any portion of the shares represented by this certificate will be regis-
il the certificate has been delivered at the company's office.

that the quotation on the stock exchange now is about 25 shil-
share, and that even Mr. McDougal, as he has been speculating
,could not keep them up. They cost me over £20 per share. I did,
r, get one and a half per cent. a month for thirteen months on
I had that benefit.

'ark was about to return to the United States. I saw a great
him afterward, and came to know him very intimately, and
e occasion to say here, as the committee will discover hereafter,
ourse of my explanation and statement to them, that he seemed
a great fancy and liking to me and treated me always with the
t liberality and kindness in every way, in affording me facilities
icating myself from difficulties that I had got into, and he has
nd again and again said to me (and sometimes I have availed
of his offers, as I shall hereafter explain, and sometimes and
equently have declined) that, as he led me into this matter by
; to sell me these shares, and got me into the Emma Mining
ny when I had suffered far beyond what I could afford to suffer,
ld see me through it if he could; he would help in any way he

n I was about to leave London the shares had been going up and
and I had bought shares at the rate of 30 and upward, which
ot so high afterward, and I saw before me the prospect of a loss
I could not afford to make, and which I have already explained

to the committee, on that purchase of 500. Parks said to me be leaving: "I will leave Mr. Gager, my agent, who is here with m London, in charge of my shares and my money. I do not want yo suffer; I do not want you, by the depreciation of this stock, to ha heavy burden of debt to carry which you cannot afford, and any tr actions that I direct Gager to make I want you to have an interest I said, "No; I cannot accept that; I do not think that I ought t it; I have no claim upon you that I should do so." We had a g deal of conversation about it. He left. Mr. Gager afterward cam me, and he showed me a letter from somebody to some one, in some an agent also of Mr. Park—Mr. Lincoln; and he told me also tha had instructions from Park to give me a chance to make some mo as a set-off to what I was losing upon the 500 shares. Then I v into a speculation; or rather a speculation was made, of which I al ward got a portion of the profits, intended as a set-off to my losses t the shares that had been purchased. The profit made out of them £1,894, and something over. It appears as one of the indorsem upon that note.

These are the speculations in stock, if they may be so called, in w I have been concerned, and I want the committee to know all abou

I come now to the note which I gave to Mr. Park, to show you how t shares were ultimately paid for. The first indorsement upon that no in my own handwriting, "January 8, 1874, paid £500." That was £500 that I got from Mr. Bates. I think he sent it to me probably check upon Baring Brothers. I paid it, however, in cash to Mr. P but to-day I do not know whether in one five-hundred-pound not five one-hundred-pound notes. I know he had a fancy for big n and requested me to pay him in some such way as that. At any r it was the proceeds of my transfer to Mrs. Bates. That was the payment on the note. Then follows this receipt for eighteen hun and ninety-four pounds, seven shillings, three pence, and then an i of twenty-five hundred pounds, which I will now proceed to exp Mr. Park, when he insisted upon it that he should do something to me out of the scrape that I got into, and to show the regard whic continually professed for me, and which I have no reason to doub felt, Mr. Park said, as I have explained, that he would give me an inte in the buying and selling of some shares in which he knew he sh make some money. I said no, that I had had about enough to do the Emma Mining Company, for I was smarting then under the g down of the 500 shares; that I did not think I would ever n any speculation in the Emma Mining Company again in any way buy and sell any shares. He then suggested that he was engage transactions in New York of different kinds, and could he not do s thing for me there; that if so, if I would put up any margin, he wo without risking too much for me, see what he could make. He see to be a moneyed man who knew about these operations; I was and knew very little about such things.

I doubted the propriety of my risking anything of that kind, althc I felt that I had a perfect right to do so if I chose. I gave him, l ever, before he left, £500 more—made a payment in cash to him be he left London. Mr. Park took that with him, and my understan was that it should be just indorsed as a payment on the note. A some time I heard from Mr. Park, or from Mr. Gaither, that there been a further indorsement or payment upon the note, but it did correspond with what I expected. I wrote to Mr. Park to inquire v *indorsements* were upon my note, and to that I got a reply, which I

put in evidence here, giving the indorsements; and as given by him they correspond with the indorsements here upon the note, viz: five hundred pounds; eighteen hundred and ninety-four pounds seven and threepence; and twenty-five hundred pounds. I find a pencil-mark of mine, a query as to the twenty-five hundred pounds cash. That twenty-five hundred pounds I did not understand at the time, nor did I fully understand it until it was explained to me at my final settlement with Mr. Park. It seems that he had some arrangement with this Mr. Grant for the payment of a commission to him upon the shares that should be sold, and that Grant had got the benefit in some way or other of the commission on the 500 shares sold to me—the ten thousand pounds—which Park insisted should be refunded to him, insisting that either I should have the benefit of that, or that he should have the benefit of it, but that he thought it belonged to me.

Mr. PACKER. Was that the 500 shares originally sold you?

The WITNESS. Yes, originally sold me. It will be, I suppose, more fully explained when you come to see these further witnesses upon the subject; but this is the way in which it was explained to me. I said that that was a good deal more than I expected credit for. I had given five hundred pounds, and here he had added to that another two thousand, so that I had made the payment of two thousand more than I knew that I was entitled to from any of the payments made on this note, and that was never fully explained to me until our final settlement in May, 1874. Here is the letter, written in May, 1874, which I received from Mr. Park in reply to my inquiry for the indorsements upon my note, I expecting that these indorsements would be five hundred pounds and eighteen hundred and ninety-four pounds seven shillings and threepence and another five hundred pounds. The following is the letter:

NEW YORK, *May* 24, 1873.

MY DEAR SIR: Your letters of April 26th and May 1st were received during my absence from home, and the first one must have been delayed somewhere or I should received it before I left.

The indorsements are made on your note as follows:

July 8, 1872	£500 0 0
Oct. 7, 1872	1,894 7 3
Dec. 11, 1872	2,500 0 0
	4,894 7 3

All the indorsements are made on the note.

As I wrote you last spring, you need not trouble yourself about the balance due me, but take your own time. I do not want any security for the balance, and did not call within the year for the security I was entitled to, for the reason that I felt just as safe without it, and did not know but it might embarrass you in other matters, as I know you had made losses on the shares you and General Woodhull made through J. C., McC. & Co.

Pray, give yourself no further uneasiness about your note to me, as, between myself and the other owners of the mine, I have taken the note of yours, and you have no one to deal with but myself.

I have still confidence in the Emma Mine, although I have not seen it since July, 1872, and I get no reports from there. The present superintendent only reports to the company in London, and admits no strangers to the mine. All the news I get comes via London, and you know it before I do.

I cannot believe that a mine which showed a vein three hundred feet in depth and over that in length will give out. When I visited the mine in July, 1872, it looked better than ever before, and I offered to purchase it at $5,000,000.

I suppose you have read my letter to the company, (printed in the Mining World, May 2.) The company have not answered my letter, although they caused it to be published, for which they have my thanks.

I cannot understand why the three English directors, who visited the mine months after it was sold in London and reported on it more favorable than ever any of the vendors had, do not state what they *saw* and *know*, instead of sitting quietly still and allowing all the Americans to be slandered.

I understand, as all intelligent persons do, that mines are *uncertain* property, and do not always turn out as well as they promise; but that does not prove anything against a vendor of the mine. I wonder if the English gentlemen who are so unsparing of their abuse of Americans would have felt called upon to make further payment to the vendors if the mine had turned out *better* than it promised to.

Please remember me kindly to your daughters.

Very truly, yours,

T. W. PARK.

That is the original letter, which I received in due course of mail at that time from Mr. Park. I introduce it now, although it will probably have a bearing on the matter in other respects, for the purpose merely of showing that I did not then understand clearly and distinctly how he was crediting me on my note; and having heard from Mr. Gager or otherwise that there were some credits upon the note that I had yet to be explained to me, I wrote upon that subject, and I think my letter, if it is in existence and can be produced, will show that I made some general inquiries in regard to the mine and the condition of things.

Without referring just now to any other letter of Mr. Park—for I have another one—I wish to pursue the payment of this note. No other indorsement appears upon the note except "Surrendered upon final settlement and payment of balance May 13, 1874." Signed "T. W. Park." I came over here upon a leave of absence, the only one that I have had during my five years' absence in London, to return to my home, in the spring of 1874. One of my objects was to collect moneys in Ohio and Iowa and Illinois, and convert some property into money, and do what I could to extricate myself from these various difficulties, and to pay off Jay Cooke, McCulloch & Co., and get rid of my unfortunate speculation in that stock. Among the things that I desired was of course to come to some sort of settlement with Park. For I have been educated to a horror of debt, and I never was so deeply involved in any one thing before in my life as I had come to be in this matter.

When we went into the matter, Park, in his usual off-hand way, insisted upon it that he could get me out by letting me into some speculations which he had, and I think Panama Railway stock was one of them, but there were various things. I said, "No, Park; I have had more from your liberality and your endeavor to help me extricate myself here than I am entitled to, and I am not going to be under any such obligation. I can rake and scrape enough, thank God, to pay you in some way, if you will take such securities as I can offer, and let me do what I can." Well, we had a good deal of discussion. It is rather unusual, I think, for a man to insist upon doing you favors which you feel that you ought not to have from him; but so it was. It finally resulted in my taking the ground that among securities that I had I would insist upon turning over to him what would settle his debt. I had then just sold my stock in the National Insurance Company at a premium, in Philadelphia; got $6,100 for that; and I was negotiating for the sale of some county bonds of Marshall County, Illinois, and of Washington County, Illinois, which I got some twenty-odd years ago, when I was engaged in some railway interests and enterprises there. I was doing all I could to make up the money and extricate myself from my indebtedness. Mr. Park still insisted that he would aid me; and I said, "No; the only aid that I want is, if I have got to pay off Jay Cooke & Co., and to meet these various other obligations of mine"—which unfortunately were increased at that time—"I will go on." These are my personal and private affairs.

I do not know that the committee will insist upon it, but I want the committee to know just how I have been able to get along with regard

to these matters. They were increased by the fact that I supposed I was going to collect some money from Newark in the sale of some property, which I had inherited there, but which I had afterward to sue for, and which is now in judgment in Licking County, Ohio, but which I have not obtained. It is some $6,000. I had incumbered myself more than I should have done by buying for a brother in Iowa, who needed it, a farm, and paying for it for him. So I said to Park, in looking over this account, "I shall need after I have settled with you on this note from ten to twenty-five thousand dollars more. If you will lend me that on a mortgage upon my house and lot in Washington, I will take it. I will get along with as little as I can." He agreed to lend it to me at once. I only got fifteen thousand from him along through the month or two that I was here, and I gave him a mortgage on the house, which he holds as yet, except that I paid on the 13th of May last one of the notes, through Drexel, Morgan & Co., bankers in New York. And, by the way, if the committee desire any further proof upon that subject, I will ask them to write to Drexel Morgan & Co. and get the original note which was paid by them on my account. But as to the note for the ten thousand pounds, you may ask, how was that paid? I had an interest in a coal-mine in Illinois. It was originally, and so my certificate describes it yet, the Vermillion Coal Company, but it is now converted into the Vermillion, Wilmington and Chicago Coal Mining Company. I had originally $24,400 in that.

At the suggestion of General Garfield, whose friend, Colonel Plumb, was getting up the company and making the purchase of this property, I became satisfied that it was a very good property, and they offered to let me come in as one of the investors in it; and when it was afterward converted into a joint-stock company, we got $2 in stock for each dollar that we had put in in cash. I subscribed originally $10,000, which gave me $20,000, though I did not, at that time, know that it was enough to give me $20,000 in stock. I then made a second subscription (because they had enlarged their property and bought more coal-mines) for $10,000 more; but I was not able to pay up my last subscription, and only paid $2,200. So, for my $10,000 I got $20,000, and for my $2,200 I got $4,400 in the stock. I was compelled to dispose of my $4,400 during the first years I was in London, in order to enable me to live there in any way approaching a decent and respectable manner of living as your representative.

I said to Park, "I have got $20,000 in coal property. I can turn it over to you, with a right to redeem it; and I have some other stocks here." It resulted in our coming to an agreement to settle upon those terms, I paying him some money and turning over those stocks to him; and I hold that agreement, and will present it to the committee. Before doing so, I am able to show from this memorandum here how we settled. We calculated the interest from the year (that had been given to me) upon the £10,000, calculated the interest upon each of these payments that had been indorsed upon the note, and I found that I was still indebted upon the face of the paper to Mr. Park in the sum of £5,505 12*s.* 9*d.* Taking the interest computed upon the note and that computed upon the payments I had made, there was a difference in favor of Park of £535 2*s.* 8*d.* That made my whole indebtedness to him on the 13th day of May, 1874, when this settlement took place, £6,040 15*s.* 9*d.* There had before that arisen the question how this interest was to be calculated. We went to work and neither of us could quite agree in our calculation of interest upon pounds, shillings, and pence,

and we finally abandoned that, and agreed to call each pound $5, and calculated in our own money by decimal calculation. Making that the basis of calculation, my indebtedness to him for interest, was $4,600 and his indebtedness to me $1,924.35, making a difference of $2,675.65, which, reduced back to pounds, shillings, and pence, at the same rate, made £535 2*s*. 8*d*.

The rate of interest was also a subject of discussion between us. I said, "This is a London contract, and 4 or 5 per cent. is a pretty high rate of interest in London. In New York it is 7 per cent.; in Ohio it is 6 per cent. You are a New Yorker, and I am an Ohio man. Our contract is a London or English contract. I do not know what is fair, but I want you to make it as reasonable as you can in regard to the rate of interest that is to be charged." Well, we finally settled that it should be 6 per cent., or the Ohio rate, where the rate of interest to be charged is not named in the contract. I do not know whether the law is so yet or not. It used to be. We settled down upon that basis of calculation in regard to the interest. The result of it all was, then, that I was indebted to him, turning it into dollars, in the sum of $33,726.07. I paid him from the various collections that I had been able to make, money that I had got together during the time I was here, converting some of my property, as I said. I was able to pay him $1,726.07 in cash, and that left me indebted to him to the amount of $32,000. Then the question was about the payment of that sum. He was willing to get it out by transactions in Panama, or something of that kind, to which I would not consent. I had had enough of speculation, and I was not willing to risk margins, nor to be dependent upon him for help in that way. We therefore made this contract, the original of which I hold in my hand, in the shape of a receipt, or whatever it may be termed, from Park, which he gave me on the 13th of May, 1874, when we had the settlement. The paper is as follows:

NEW YORK, *May* 13, 1874.

On settlement this day with Robert C. Schenck, of the balance due on his note for £10,000, executed and delivered to me at London November 1, 1871, it is agreed that the amount remaining of his indebtedness to me, principal and interest thereon, is thirty-two thousand dollars, ($32,000,) American currency, and the said note has been canceled and surrendered to him on these conditions: The said Schenck assigns and delivers to me the following stocks belonging to him, of which I hereby acknowledge receipt, and which he guarantees to be unincumbered and without other lien or transfer, viz: 200 shares Vermillion Coal Company of Illinois, at $100 per share—fully paid up—twenty thousand dollars, ($20,000;) 200 shares National Insurance Company, of Washington, (at $50,) five dollars per share paid up, $1,000; 60 shares Lake Superior and Puget Sound Land Company, $100, paid up, $6,000; 100 shares Tacoma Land Company, $5,000. Also he assigns to me a promissory note made to him by Maxwell Woodhull, of Washington, May 8, 1874, for three thousand dollars, with 7 per cent. interest, making in all thirty-five thousand dollars, ($35,000.)

I am to hold these several shares of stock, subject to redemption by said Schenck in whole or in part, as he may be able, within a period of four years from this date, that is, by or before May 13, 1878, on his paying for the same, or any part thereof, at the par value, with interest, or proportional interest, at the rate of six per cent. per annum.

Any payments made on the said Woodhull note are to be applied, after payment of accrued interest, toward such redemption of stock, at the option of said Schenck as to stock or shares first to be redeemed. The full-paid certificate of the Tacoma Land Company stock not having been yet issued, said Schenck is to take steps for obtaining the same and deliver it to me when issued.

And it is moreover agreed that the dividends which are declared and payable by the respective companies, from time to time, on the Vermillion Coal Company stock and on the National Insurance Company stock, or on the stock of any other of said companies, may be collected by the said Schenck to his own use, during the said stipulated term of four years, but not afterward, nor after default of this agreement, except in so far as there may have been any redemption or surrender of stocks or shares, as *before* provided.

T. W. PARK.

I call attention to the 200 shares of the Vermillion Coal Company of Illinois, because I see that a gentleman, named Paffard, who has been quite freely indulging in literature about the Emma Mine, has said that I told him something with reference to a Wisconsin property. He locates it in Wisconsin. I never heard or knew anything about any property of that kind in Wisconsin. This property is on the Vermillion River, at a point with which I became acquainted when I was president of the railroad which cuts through it, and I became familiar with it, and was induced some years afterward to go into a coal company which was established there.

The two hundred shares of the stock of the National Insurance Company of Washington I bought, and have held for a good many years.

The Lake Superior and Puget Sound Land Company, it is thought, will turn out very well. It grew out of the Northern Pacific Railroad, and I put in money there and became an owner of that.

The Tacoma Land Company is at the terminus of the Northern Pacific Road.

I wish to remark that the certificate of the Tacoma Land Company stock, referred to in this paper as not having been issued, was received by me about a year afterward, through a Mr. Este, a friend of mine in Philadelphia, who besieged the company until they issued it.

I named particularly the Vermillion Coal Company and the National Insurance Company's stock as having declared dividends, because these are the only companies that have been paying me dividends. On my Vermillion Coal Company stock I formerly received ten per cent. per annum, or five per cent. every six months, but the last dividend was only four per cent. On my National Insurance Company stock I have been getting about $200 a year. Park still holds these shares, with the addition of my Tacoma stock, which was received about a year after this paper was executed. I do not know how I am going to work out of it, but I shall try to, at any rate. In the mean time, the margin that he has over the $32,000 is in Woodhull's note, which is drawing seven per cent. interest.

That was the settlement which finally took place. The $15,000 was divided into three notes, payable one in May, 1875, one in May 1876, which I hope to be able to pay, if I can collect some moneys at Newark, in Ohio, and the other in 1877.

Mr. WILLIAMS. Can you state, without any inconvenience, at this point the aggregate amount of your losses from the Emma Mine investment?

The WITNESS. Well, I do not know whether I can.

Mr. WILLIAMS. I would not wish to interrupt you unless convenient to give the amount.

The WITNESS. I made it out once to be about $65,000, but I do not think the sum is quite so large. I shouldered the loss mainly of these 500 shares, and took from my friend his note for $3,000, giving him the benefit of the £1,894, and giving him the benefit with me of the margin on my first 300 shares, so that it fell much more heavily upon me than upon him. In 1873 there still continued to be a great deal of vilification of everybody who had been concerned in the Emma Mine. I suppose the committee will not be surprised to know that all this was a very sore subject to me, and annoyed and embittered me very much. At that time, in the summer of 1873, the directors were getting to doubt whether Park had treated them fairly, and as they thought that I knew Park better than they did, they wanted me to write to him to ask for some further explanation of the condition of things. I did write

to him, and in my letter I set forth what was said there, and the way which I was abused, and I do not know but my letter was a little complaining in tone; but it was sore, I have no doubt, for I was sore. I read the letter which I then received from Mr. Park upon that subject, because it is a part of the history of my connections with him:

NEW YORK, *June* 5, 1873.

MY DEAR GENERAL: Your letters of the 13th, 20th, and 21st were received during my absence from home.

For the past two months I have been absent most of my time on business. I regret exceedingly the annoyance given you by the Emma people, and it all comes from the cowardly action of the directors. The mine was not sold in London on representations made by me, and every representation made by me can be fully proved to be literally true at the present time. Before the sale was made or the shares offered to the public, the mine was reported upon by Professor Silliman, *selected by the vendees*, and it was on his report that the property was offered. I had not seen the mine for five months and did not pretend to know its then condition, but the report of Professor S. was much more favorable than anything I had stated. On the report of Professor S. one-half the shares were taken by the public, and I held the other half. Soon after the property was put on the market, such attacks were made as to depress the stock, and it was proposed that a director should be sent to Utah and make a careful examination, *and I agreed to remain in London and sell no stock until the report was made.* Mr. Willyams was sent out, and, with Professor Silliman, made a report more favorable than the first report of Professor Silliman. This second report was eight months after I had seen the mine, and great changes had taken place in it. Of course, I believed, as did others, in the report, and I was confirmed in my opinion by the fact that *Mr. Willyams ordered purchased through me* 1,000 *shares*, and I filled the order at £23 per share and above. It was not until after this second report that I sold any of the half of the shares I held, and every man, woman, and child in England had as good an opportunity to judge of the value of the property as I had. I purchased shares after that at as high as £27½, and acted on the faith of the reports of Professor S. and Mr. Willyams, *and on the report of every person who had ever seen the mine.* I left England holding over 5,000 shares, which I could have sold when I left at £28 and above. Soon after my return home the mine was flooded, and caved in, and was also jumped by trespassers, (for which I was not responsible more than any other shareholder.)

I went to Utah to recover possession of the mine and succeeded, and then I visited the mine and was so well pleased with its appearance that I purchased shares at par, or about that, in which purchase you was interested and of course know about. I had not seen the mine for just a year, and could not examine it fully, and much of it was filled with water. This was in July, 1872. In October following Mr. Anderson visited the mine and made a glowing report, and while I was in Salt Lake with him I was ill and could not visit the mine, but fully believed in his report of its condition and the future prospects, and, acting on that belief, I advanced to the company the money to pay the November and December dividends, expecting to receive the money from the mine, without any doubt within thirty days.

Senator Stewart was with Mr. Anderson and gave the same report Mr. A. did. All that I have written, you are familiar with, and it contains all there is to found the charges of swindling, fraud, &c.

So far as you are concerned, you have offended in having purchased stock on the same reports and exhibits others did, and in being an American. I received from Mr. Tooke the letter of which he sent me a copy, which he inclosed to you. I did not like the tone of the letter in which he wrote about the moral, if not the *legal*, responsibility of the vendors, and consequently did not answer the letter. Yesterday I received a letter from Mr. Anderson which was civil, and I shall answer it to-day.

As to the mine, I have no knowledge about its condition or the future prospects. I have not seen it since last July, nearly a year; and the present superintendent is instructed to give no information concerning it except to the board in London. I do not believe that Professor Silliman, Mr. Willyams, Colonel Stanley, or Mr. Anderson reported on the property differently from what they thought correct, and if at present there is but little ore in sight, considering the extent of *unexplored* property, I have full confidence that the mine will again show large profits. Every one knows, or ought to know, that no mine is certain in the future. It has been often said you can only *see* what there is at the end of the pick, and the balance must necessarily be speculation. All the parties who reported on the mine reported truthfully, I have no doubt, what they *saw* and their judgment from that, and, if it shall happen that they were mistaken in their judgment as to what they *did not see*, it does not prove them fools or knaves.

If the owners had *known* to a certainty what every one *believed*, they would not have

l the mine; but to a certain extent, as I have told you before, all mines are uncer-
n.

regret the loss made by shareholders, and would make a large sacrifice if they uld have made a profit of two or three hundred per cent., but I do not feel that any e has wronged them or in any way imposed upon them.

I am entirely at a loss to see what ground there can be to find fault with your action. the mine does not prove to be what it was honestly believed to be, you are no more fault than any other shareholder, as I do not understand you ever pretended any nowledge on the subject, except what every one had, to wit, the reports and state-ents of others. If any attempt is made to show the directors in the prospectus ated anything but the truth, they will have no difficulty in fully substantiating all ey stated.

Now, as to what I am willing to do, I would say I have not intended to press the ompany for the money they owe me until it comes out of the mine, (and I believe it ill come,) because I know the difficulty the company would have in raising the money, ut if I delay payment it must be as a favor and not because of threats or charges of aud, &c. My action will depend somewhat upon the action of the meeting held on he 29th May, of which I have as yet no report. If there is talk of fraud, &c., my roper course would be to commence a suit for my claim and give the company an early pportunity to prove the charges they may make.

If my business would admit of my absence I would go to London to meet the thing here.

I would advise you not to sell your shares, and, as I have written you before, you ay take your time to pay me the balance of your note.

Give my kind regards to your daughters, and believe me, as ever, sincerely yours.

T. W. PARK.

That letter was called out, as I said, by a letter written at the time nder a sore state of feeling on my part, for the purpose of inquiring hat there was in all these matters, and it amounts to a recapitulation retty nearly of things that I had otherwise and on other occasions aid to him.

Park speaks of my being interested in speculations that he should nake. When I came to settle with him on the 13th of May, 1874, he as very urgent that I should take a credit of some £6,000, which he aid his books showed for some transactions in which he was interested nd in which it was understood that I was to have an interest. Just as had declined to go into any Panama matter, so I declined to receive nything of that sort. He offered it to me and pressed it upon me. It truck me that to receive it in that or in any other way was a false posi-ion in which to place myself, and it was not according to my own sense f right, and it would have made me feel a little sore in my pride. I isisted, therefore, upon the arrangement by which I turned over to him e securities and declined to avail myself of these interests which he id had been set aside for me and which his agent, Mr. Gager, who ad kept his books, had shown were coming to me. That I do not want claim and do not mean to claim. I would like to have it if I could et it in some other way.

I have not spoken of my being a trustee of the company. It occurs to e that I should explain that. If you look at the prospectus you will nd that the trusteeship was a very nominal affair, and I do not think this day that it was improper for me to consent to being a trustee. hey wanted some gentlemen whose names were of proper respectability o turn over the property to the purchasers, the company, whenever the olicitors of the company should decide that the title was perfectly clear.

Messrs. Bischoff, Bompas & Bischoff, who appeared as solicitors, re-orted the title perfect. Mr. Anderson, who was one of the trustees, the nember of Parliament from Glasgow, and the chairman of the company, Mr. Pulesten, of the firm of Jay Cooke, McCulloch & Company, and my-elf, were not satisfied, and we had two or three meetings upon as many lifferent days; and I think the vendors began to get uneasy that we

did not decide it sooner. But we were determined that until Bischoff Bompas & Bischoff could give us such an opinion, fortified by information from the United States, as to make it perfectly clear that we had sufficient warrant to turn over the property, that we would not do it. I think it was after three or four meetings, and finally the production, among other things, of a statement or opinion from Mr. Evarts, who was telegraphed to once or twice upon the subject, that we agreed to turn over the property; and there our functions ceased. They had consisted in nothing except that—to turn over the property when the solicitors said it was time to turn it over.

I have not spoken of the English directors and their examination of the mine. I continued to have the fullest faith in the mine as an investment by which to increase my income, all through the year 1872. I may say here, (but that is a mere matter of opinion,) that I have received hundreds of letters upon the subject, and I have had gentlemen call upon me from the Pacific States and elsewhere with reference to the matter, and I am inclined to believe, and I think it can be shown here, perhaps to the satisfaction of the committee, that that mine is yet an enormously valuable property if it were only explored and developed as it should be, instead of being made the subject of litigation. But during the year 1872 I felt very comfortable, because I had an income of something like $9,000, in addition to my salary, through this mine, and I have the permission of Mr. Fish to give a correspondence which took place between him and me in November, 1872. His letter to me, dated the 4th of November, 1872, written the day after the result of the presidential election was known, has been quoted. I took the liberty of alluding to it, although it was a private letter, and I apologized to the Secretary for doing it, in my resignation to the President. I wish to give also my answer. My daughter was traveling with me in Italy at the time, and having plenty of leisure on hand, made a copy, which I have compared with Mr. Fish, and found to correspond exactly with the original. I produce my letter to the committee, to show my state of feeling and confidence during that year. I beg leave here, before it is read, to say that it will be remembered that from the 1st day of December, 1871, I never entered the board-room or had anything to do with the management of this company. I received (and I put those also in evidence without reading them) from time to time, like other stockholders, circulars telling me that here was my warrant for a dividend from month to month, and notifying me of meetings of the board. I will ask the chairman of the committee to take those printed circulars, which I, as a shareholder, received from time to time, but which I had no part in issuing.

The following are the letters referred to by the witness:

[Private.]

DEPARTMENT OF STATE, *Washington, November* 4, 1872.

MY DEAR GENERAL: When you accepted the position of minister to Great Britain, the President understood you to say that you would not be willing to hold it for any length of time.

Your very able and discreet management of the legation during a period of great difficulty and delicacy has given very great satisfaction and receives the warmest and most cordial acknowledgment of the President and of the Department. He feels, as I do, that the legation could not be in better hands, and he desires me to say that it would be his wish that you remain at the post where you have done such valuable service, and have reflected so much credit both upon yourself and on the country.

It is, however, important that if you desire or contemplate the relinquishment of your position, that the President be early informed thereof, and in advance of the fact *coming to* the knowledge of the public. He will soon have to be considering the fill-

of some vacancies in high positions which are likely to occur within the next few ths, and while he hopes that you will not cause another to be added to the list of ing vacancies, he wishes to be assured on that point, and has requested me to e this letter.

ou will not misapprehend the purport of the inquiry—it would not have been made for the remark you made at the time of your appointment—it is made in the hope you will answer that you desire to remain for some two or three or more years; it is made so that if you contemplate a change, either this winter or in the coming ng or summer, the President may know it, to make provision in anticipation, in nection with other changes.

hope that you are enjoying Italy. I almost envy you, for my recollection of nearly t months spent there brings back some rich enjoyments.

ith kind remembrances to the ladies of your family, I am, my dear general, very ifully, your friend,

(Signed) HAMILTON FISH.

neral ROBERT C. SCHENCK, *London.*

FINALE-MARINA, ITALY,
November 30, 1872.

r DEAR MR. FISH: Yesterday, at Genoa, I received your letter of the 4th instant I hasten to answer it at the first possible moment.

egin by thanking you, and through you, the President, most heartily and grate- for the kind manner in which you express to me his and your appreciation of my ces in England. It is exceedingly gratifying to me to know that my earnest en- or to acquit myself well and honorably of the trust reposed in me has secured obation in the quarter where it was of most consequence, and where I cared most t.

u may be sure that I am not insensible to the most flattering part of this commen- on—the wish you have conveyed to me that I will "remain at the post assigned e." I am prepared now to frankly say, that I would, under all the circumstances, r to continue in London, to use your own language, "some two, three, or more s" longer. Several things have concurred to change the first view I had on this ect.

hen I accepted the mission, I did say to the President, as is his understanding and llection, that I thought I could only undertake its duties and responsibilities for ar or two, for that it seemed to me I could not afford to remain longer than that abroad.

that time I gave up a business engagement and relation which I might have re- ed to in about a year, and which promised to secure me a more independent sup- and something beyond. That engagement, as matters have turned out, I could now expect to resume, if I were to return to the United States, with the same con- ing advantages and prospects. At the time of my acceptance also of the Presi- 's appointment, I was well aware that I could not support myself and family on alary allowed and live as decently and becomingly, even with the strictest econ- , as was proper to the position, and would be expected of the American represent- e in London. My expectations in that regard have been fully realized; but I for- tely last year made an investment which added something and may yet for a e continue to add so much to my personal income as to enable me to eke out the ient Government allowance and get along in some sort respectably and without ate embarrassment.

Very truly and faithfully, yours,

(Signed) ROBT. C. SCHENCK.

Mr. MONROE. That was the Emma Mine investment.

he WITNESS. That was the Emma Mine investment to which I al- ed. I introduce this to show my continuing faith up to that time. en I wrote that letter to Mr. Fish, I little thought that on my way k to London I should meet at Paris news that there would not be for coming month any dividend made, and that the stock would tumble. hough I thought it might rise afterward, it never did. Another thing ch had helped to give me confidence all through the year 1872, was it I think must have come or will come before the committee as part he history of this Emma Mining Company, the successivereports le by Mr. Brydges-Willyams, a member of Parliament, by Mr. An- son, also a member of Parliament, and the chairman of the board, by Mr. Stanley, another of the directors, together with a second report n Professor Silliman, showing, each one in succession, that, if possi-

ble, the mine was still more and more valuable than we had supposed it at the beginning.

I merely refer to those now as affecting my own opinions in regard to the subject.

There is a Mr. Lyon who has testified here before you. With regard to him, I wish to say before I close my statement that I do not know him; I will not say that I have never seen him. I observe he says that upon two or three occasions he, as a messenger, carried a note to me, once at my house, from Mr. Park, and that he was introduced to me by Mr. Park. I will not say that that is not true. I have not the slightest recollection of the man. I have heard of him a good deal in London, and will allude to one of the occasions on which I heard about him, and perhaps also Mr. Johnson, who is another of the witnesses. I do not know whether he is a tall man or a short man, a stout man or a little man; and if he be present in this room now, (I hope I do not mistake any of you for him,) I do not know it.

Mr. Lyon speaks of these papers being fixed up. I do not know that he says he learned that from me, or that he knows it of his own knowledge; but he says that Park told him so. In that connection, I have but to repeat my asseveration that these papers were executed on the day on which they bear date; that they were the result and culmination of an agreement previously made, and that they were in no way whatever connected with, nor had reference to, any possibility or probability of my afterward having anything to do with the management of this company, and that no notice was given to me that I would be expected or requested to do so. I wish to be emphatic upon that point.

Mr. Lyon speaks of another matter here which attracts my attention; and with that I believe I shall close my particular reference to his testimony, unless it may come out upon my cross-examination, because I simply present my statement, and you have his, as that of others, before you. Where they conflict of course you must do the best you can to reconcile the testimony, if it is reconcilable; if not, one contradicts the other. Here is a passage in his testimony.

On one occasion, while Mr. Davis's lawsuit against Mr. Park was pending, Park said to me, "By the way, Lyon, General Schenck is a first-rate lawyer; he has been examining my papers in relation to Davis, and he has discovered a point in my favor in those papers, and a very important one, which I had overlooked. We have heard that Sir Roundell Palmer is to be the barrister for Davis in this matter, which is to come up in a few days before Vice-Chancellor Mellen. I have got General Schenck to go down to see Sir Roundell Palmer, and he is to tell him that he knows Park and Baxter, the defendants, very well, indeed; that they are gentlemen of high character and reputation; that they are very wealthy, and that there is no occasion for bringing a suit against them in an English court to recover; but that Mr. Davis is a bankrupt, perfectly irresponsible, and of bad repute, bad credit; and that," said Park, "will stop Sir Roundell Palmer from attending to the suit, and I think it will reach the ears of Vice-Chancellor Mellen, and I guess Davis won't have much chance," or something to that effect. I went to the court to see if that kind of thing would work. I wanted to see if Sir Roundell Palmer would give any attention to a thing of that kind; so I went to the court and he did not appear. I give this as a statement made by Mr. Park to me.

What Mr. Park will say about that I do not know; but so far as concerns myself and any reference made to me, the whole thing is a clumsy lie.

Now I will show what did take place. About the first point I am not so sure. I think I did one day suggest to Mr. Park, when he was telling me something or other of a suit that he had with these parties, "Why, they can't pursue you in an English court for the purpose of arraying the assets and settling a partnership in the United States," *or something* to that effect; and he said he did not know whether his

lawyer had thought of that. Whether he ever made use of my suggestion or not, I do not know.

As to seeing Sir Roundell Palmer. Mr. Park asked me one day if I was acquainted with Sir Roundell Palmer. I said yes, I knew him very well. Sir Roundell Palmer, as it will be remembered, was the counsel on the part of Great Britain to appear before the Geneva Arbitration. I knew him in London society, and knew him personally very well. "Well," said he, "I have a case here of Davis against me, and there has been a hearing, or, at least, it has been up before the vice-chancellor," or "the master of the rolls. Sir Roundell Palmer is engaged upon the other side. General Woodhull is going to the United States, and I am anxious to go by the same vessel." They did not go, however, because General Woodhull postponed his departure at my request, on account of some work at the legation, he, at that time, being second secretary. At that time he (Park) said to me, "I want to go home; they have appointed this case to be heard on a day which will permit me to make my preparations and get away, and have pledged themselves that it shall be disposed of. I hope they will not disappoint me in that regard. Could you speak to Sir Roundell Palmer—would you feel free to do so—to ask him that the case should not be postponed?" I said, "Yes. I see no impropriety in that." I went to Sir Roundell Palmer, spoke to him about it, told him that I knew one of the parties, and knew what his engagements were, and that he wanted to go home; that I understood the case had been set for hearing before the vice-chancellor or the master of the rolls at a certain time, and all I had to say was that I neither knew nor cared anything about the case or parties. It would not be proper for me to say anything about either of them if I did, but that I wanted him to know that Mr. Park was exceedingly anxious to get away to the United States, and that this promise to have the case heard on that day might, if possible, be kept, and the case disposed of. I afterward heard that there was a rumor (spread about by this man Lyon and this man Davis, and those people who have been disappointed in not getting all they expected perhaps out of the Emma Mine, and who have been making themselves busy about it in London and here ever since) that I had committed this great impropriety, this outrage upon all decency, and gone to their counsel to get him to abandon their case.

By the way, he talks about my knowing Baxter very well; but I do not know Baxter. It so happens that I never, to this day, have met him, or had the pleasure of his acquaintance. It was so exasperating to me that I determined, if a pamphlet were brought out, which had been threatened, to telegraph to Sir Roundell Palmer, and to ask him to unite with me in bringing a libel suit against the parties to the publication. I do not know that libel suits are very wise; however, that was my determination at the time. But it was never published, and I never saw it again until it re-appeared in the testimony of this man here. But when Sir Roundell Palmer came home immediately afterward, he was, upon the retirement of Lord Hatherly, made lord high chancellor of England, to preside in the House of Lords, under the title of Lord Selborne, which title he now holds. I applied to him to ask him whether he remembered anything of this kind, and I received a letter from him which I propose to read. I know it to be Lord Selborne's own handwriting, as I am familiar with it, having received notes from him at various times, and I introduce it to show just what did take place, and what, among many other things, has been made the foundation of a gross slander and an infamous falsehood.

No. 6.

HOUSE OF LORDS, *July*

DEAR GENERAL SCHENCK: In reply to your inquiry, I have no difficulty i to mind exactly what you said to me last year with reference to a case of Dav in which I was retained as counsel for the plaintiff, an American citizen sui American citizen, concerning claims arising out of the affairs of certain Ame panies in the English court of chancery.

There was a motion for an injunction and receiver pending before one o chancellors. When first brought on it had been postponed till the next motion-day for further evidence, it being then understood that the defe about to return to America on an early day, and I believe he had underta leave this country during the period of postponement. You came to me d interval and stated to me that you were acquainted with the defendant, an it to be of importance to him to return to the United States, would be glad endeavor (as far as it might be consistent with my duty to do so) to have t disposed of as early as practicable. You did not say a word about the me case, nor about any of the matters in controversy in it; nor did you mak suggestion to the advantage or prejudice of either of the litigant parties. I necessary to add that you did not in any way suggest that I should myself d inconsistent with my position and duty as an advocate in the case.

I believe I told you on that occasion that it was in my opinion, as well as the defendant's *right* to have the motion brought on and argued and disp the day appointed, and that I should request my junior to offer no objecti being done on the mere ground of my own absence, if (as I thought probable happen to be engaged in the House of Lords when it ought to be moved.

It did turn out that my engagements in the House of Lords prevented being present, though I did all in my power to arrange it otherwise.

Believe me, dear General Schenck, ever yours, truly,

SEL

I suppose I do not need to say to this committee that Sir I Palmer, now Lord Selborne, the late lord high chancellor of En regarded as one of the purest men in every respect, as well as o most eminent lawyers in all England.

There may be much which will occur to me hereafter, but I now think of anything else that I desire to say to the commit which I need detain them longer. I observe, however, that th been published pamphlets of various kinds here as tending t some light upon the history of this transaction. But I do not a pamphlet, which has always appeared to me to be a very one, published by Professor Sewell, a great mining engineer, subject of the Emma Mine, is before the committee, and I t would ask to submit it to the committee.

Adjourned.

WASHINGTON, D. C., *Wednesday, March* 29,

ROBERT C. SCHENCK, recalled, proceeded with his state follows:

Mr. CHAIRMAN AND GENTLEMEN: Before answering any q that may occur to the committee to ask me, I wish to express, in place, my recognition of the courtesy with which the committee me yesterday, in permitting me to go on without interruption a my statement, and to ask that I may be permitted to supplem statement with a reference to one or two matters which ha brought to my attention since, and which will tend to explain tion here before the committee.

The committee will remember that I have stated that I w fifteen days on the ocean, and every gentleman knows that that one from all communication. Since my arrival here I have asc *that there* have been some publications during that interval

think should be made the subject of some reference or explanation on my part. There was published and sent abroad from the United States a statement that I had been recalled from the mission by the Government here, or that they had demanded my resignation. That, I believe, (though I have not seen the papers,) has been amply answered by communications made to the committee by the Secretary of State, showing what the correspondence was; that I tendered my resignation under circumstances which it is not necessary, perhaps, to detail now, when I discovered that the conduct of the Executive was called in question, as I wanted to relieve them from any possible embarrassment.

Another statement made was that I had been recalled at the request of the British government; that Her Majesty's government, dissatisfied with having me remain as minister from the United States at that post, had wished me to be recalled. I have not seen the report of the proceedings, but I understand that that was very emphatically answered in the House of Commons when Mr. Bourke, the under-secretary for foreign affairs, who represents that department in the House of Commons, was interrogated and said there was not the slightest foundation for it. And I believe it was met and recognized with some degree of cordial acquiescence by the members of the House of Commons, or many of them, when that announcement was made. There was not the slightest foundation for either the one report or the other.

Then it has also been published that, in some way or other, I spirited myself away from England in order to escape process of law issued against me. I desire to explain that, as I am here before you for a thorough understanding of all these matters.

The present chairman, Mr. McDougal, who was not originally connected in any way, I believe, with the Emma Mine, but some two or three years ago bought into it, when the stock was down to some twenty-five or thirty shillings or thereabouts a share, has been giving out in the paper which he owns, (The Hour,) and at public meetings, his purpose of suing the original directors for false representations, &c. But it is a mistake to suppose that any writ was ever served upon me, or issued against me and afterward served, of earlier date than the 3d of March. On the 1st of March there were published in the London papers the proceedings before this committee of the day before, and the testimony which had been taken, which excited my indignation I confess, and I immediately sent to each of the leading London journals to be published, and it was published in the next morning's issue of the Times, the Post, the News, and, perhaps, the Standard, four leading journals, a notice that I had seen the testimony, and, although I had not intended to avail myself of a leave of absence to go until the 11th, I would leave England by the very next steamer and go to appear before the committee to confront these accusations made against me. That was published on the morning of the 2d in all the newspapers. I had, as I have already stated, the 2d on which to make my preparations, the 3d to get down to Liverpool, and the 4th to sail, if I got off by the next steamer, which was to sail on Saturday.

It was not entirely unexpected to me, for a reason which I am now going to explain, that there was a writ served upon me, issued by some solicitor there of Mr. McDougal, perhaps, representing the Emma Mining Company, because on the morning of the 3d, or about that time, I heard that a man had been inquiring of a servant at my door by what train I would probably go, and that the same inquiry had been made at the legation.

But on the 3d, when I went to Euston Square station to go to Liver-

pool to sail, just as I was entering the car, (what they call a carriag there,) and not before, and after my daughter had taken her seat, an while bidding good-by to a group of friends who were around me, ir cluding one of my secretaries, the second secretary of legation, a ma stepped up and offered to serve a writ upon me; asked who it was. told him, and he inquired whether I would refer him to any solicitor, o what I would do with it? I said I regarded it, coming in that way an at that time, as a mere impertinence. He asked to whom would I refer I said I should refer to Lord Derby; that I was the minister of th United States, and that Lord Derby was the minister of foreign affairs And I gave this instruction, to consult with Sir Henry James, a barris ter there, and a personal friend of mine, and told the man to go at onc to Lord Derby and give the writ to him. I threw the writ out of th railway carriage, just as it was moving, to Colonel Cheseborough, th secretary, and he took it in his hand. I believe representations hav been made since then to Lord Derby; and although I do not know whether it is true or not, I have heard that the whole thing wa passed by as irregular and impossible.

One of the first things I found here on my arrival, awaiting me a Washington, when I came from New York, was this letter, from Valp & Chaplin:

19 LINCOLN'S INN FIELDS, LONDON, W. C., *March* 6, 1876.

SIR: The writ issued by us was served upon you under the impression that you ha resigned your post of ambassador here. We beg sincerely to apologize for the mistak so made, and beg that you will consider the proceedings so commenced as abandoned

Yours, obediently,

VALPY & CHAPLIN.

His Excellency General SCHENCK, *Washington, D. C., U. S. A.*

This note I now put in evidence with that explanation, because I an desirous that everything connected with my position and relating t this question shall come fairly and clearly, and as fully as I can presen it, before the committee. I had no knowledge of the acceptance of m resignation. There was no time for any official communication till came here, and did not know of the nomination of Mr. Dana until arrived in New York.

Mr. MONROE. General, it was said that you left England withou taking leave of the Queen. That statement has been published in sev eral papers.

The WITNESS. It would have been very irregular and very improp for me to propose to take leave of the Queen, for I came home on a leav of absence. I did not know at that time whether I should return or n return, for I did not know what would be my status with the Admini tration; I had not yet heard from my tendered resignation. The usu note, however, I sent to Lord Derby, the minister for foreign affair and the only proper note I could send. I wrote to say to him that, as was leaving very suddenly and upon a preparation of a single day, regretted that I should not be able to call and pay my personal respec to him before leaving and bid him good-by, the relations between being very friendly, but that I was on leave of absence, and shou leave the legation in the charge, as I was instructed to do, of Colon Hoffman, the first secretary, to act as *chargé ad interim*. This was t usual and only courteous leave-taking consistent with the position which I was. There was nothing at all clandestine in my going awa

Mr. MONROE. When the resignation of the American minister is a cepted by his Government, is it not usual that it takes effect when h successor shall be appointed?

The WITNESS. That is the way I tendered mine; it being first suggested that the President did not want to act at all upon any tender of resignation from me. Afterward, when he expressed his readiness, if I insisted upon my resignation, to accept it, it was suggested that it take effect when my successor arrived. I sent it in that way. Afterward, finding what was going on here in this committee, I determined to come home myself, and obtained leave of absence for that purpose, and came accordingly; but until I arrived here I did not know what action had been taken.

Mr. MONROE. Is not your resignation now accepted, to take effect when your successor is appointed?

The WITNESS. I do not know; I am not sure about my status. I suppose I am now the minister of the United States, on leave of absence, because, a successor having been nominated but not yet confirmed, there is nobody in charge of the legation except the first secretary, who is *chargé ad interim*.

Mr. WILLIAMS. Then your sole purpose in leaving London was to appear before this committee?

The WITNESS. That was my object in coming. I should have waited, but for the proceedings before this committee, until I heard in reply to my resignation, whether it was accepted or not, and at what time the acceptance, if it were accepted, was to take effect.

The CHAIRMAN. The committee will now proceed with their cross-examination of General Schenck.

By Mr. HEWITT:

Q. I understand that the committee are instructed to investigate your connection with the Emma Mine; I do not understand that they are instructed to investigate the Emma Mine. I am now stating my personal view of this subject and that will explain the nature of the questions which I shall put to you. I shall ask you nothing with reference to the mine itself. Will you be good enough to state whether you were asked by Mr. Park or Mr. Stewart to become a director first or a trustee?—A. I do not know that I can tell; I think, probably, first a trustee.

Q. Was it suggested to you, prior to the date of your contract with Mr. Park, that you should become a trustee?—A. Never.

Q. Both were subsequent to the date of the contract?—A. Both were subsequent to the date of the contract.

Q. In the conversation with you in regard to becoming a trustee, was it stated to you that the other trustees were to have any compensation?—A. No, I never dreamed of such a thing.

Q. And, therefore, of course, no suggestion of compensation was made to you to become a trustee?—A. None whatever.

Q. When it was suggested to you to become a director, was any suggestion of compensation made with reference to that?—A. Not that I remember. At some time I ascertained, but I think it was after I had become a director, that it was usual in England to pay directors of their joint-stock companies, but I have no recollection of any discussion of the question. It certainly was not an object with me to get the compensation, whatever it is.

Q. Was the amount that the directors were to receive in that case stated to you?—A. I think not.

Q. In your dispatch to Secretary Fish on the 27th of November you used this language: "Have no pecuniary interest, except some shares for which, after investigation fully, I paid dollar for dollar." You mean

by that expression—dollar for dollar—that you paid by the note t which you testified?—A. Yes; I mean that I had obtained the mean and used those means, and had given my note for them. I had con tracted a debt in order to get the money. When I used the expressio "dollar for dollar," I should, perhaps, have said "pound for pound."

Q. But, up to that time, you had actually paid no money; you ha simply given the note?—A. O, yes; I had paid the money because th money was paid in, and I gave the note to cover the money that wa paid in.

Q. Did you pay the money in, or did Mr. Park pay it?—A. Well, I think Mr. Park sent the first payment; it was paid in installments fo me, but with my knowledge; he perhaps handed it to me first and I gave it back to be sent by some one, as I could not attend to it person ally. In one instance I think the money was drawn at Jay Cooke, Mc Culloch & Co.'s and handed to me, and I handed it over to Mr. Pules ton, or to somebody, to pay to the bank, to which I was not accustomed to go and did not know about; the London and Westminster Bank, I think, it was. But in each case, as the requirements were made for the money, Mr. Park furnished me the money according to the contract, be cause they could not take his note or my note to him for a payment, I being entitled to this money, by reason of the note which I had given him, so that it was actual money paid for the stock, as in the case of any other subscriber. I was a regular subscriber for, and had allotted to me, five hundred shares of the stock, and the money was paid for me

Q. Then in every case, as I understand you, when the money wa paid, you received it from Mr. Park, and then you paid it over to th company?—A. I do not know that I received it from Mr. Park in each case. Mr. Park may have sent it, but, if so, he sent it to my knowledge so that the payments which were required to be made (and they wer made very rapidly, I believe; the prospectus will show what the demand were) were made with my knowledge; the money was paid for me, an that was the consideration for the note which I gave.

Q. That I understand. I merely want to know whether the mone was paid in each case by Mr. Park, or whether you drew your own chec on your bankers?—A. No, I did not draw my check. Mr. Park sup plied the money to the amount of my note to him.

Q. Now, in regard to the note itself, you have put it in evidence and have looked at it. I observe that it is not stamped. Let me ask, be cause you have full knowledge of that matter, having resided so lon in England, whether that note would have had an validity, being an unstamped document?—A. Well, that never occurred to me at the tim

Q. But it has no stamp.—A. It has no stamp.

Q. If it had been in a regular business transaction in London, be tween business people, (you will remember I am a business man myse and not a lawyer, and therefore I deal with it as a business man would no note would have been given and passed without having a stamp upo it, would it?—A. I do not know, I am sure, but I think not. It was regular business transaction as between him and me; and I should nev take advantage of an omission of that kind. It was between tw Americans.

Q. I have no doubt about that. Then I observe that the note do not bear interest?—A. No.

Q. It is drawn to Mr. Park and is not negotiable, probably was n intended to be passed from his possession, which I can readily und stand, and it does not bear interest.—A. No; it will bear interest aft a year; the note is for a year.

Q. To the extent, then, of the £10,000 for the five hundred shares of stock, the loan was made without interest, and you had the benefit of the discount for one year?—A. For one year, and that was explained to me. I think that Mr. Stewart talked with Mr. Park about his ability and convenience to assist me in going into this matter if I was willing to do so; and Park, having an abundance of the shares of the stock, intending to retain one-half of the whole, and being a man of means, was ready to offer me, as one of the inducements, to give me time for a year, not beyond that, for the payment of the stock.

Q. Was that stated to you as an inducement at the time?—A. Yes, sir; that was spoken of as one of the inducements.

Q. Was any other inducement stated to you at the same time—anything besides the fact that you would gain the interest for a year? In other words, the dividends, I observe, were guaranteed to be at the rate of 2 per cent., and subsequently reduced to one and one-half per cent?—A. Yes. There was a great deal of conversation in regard to mining-property. I spoke of it, notwithstanding this apparently rich discovery, and this extremely valuable property, as always a thing of some risk to go into a mining business and take stock in a mining concern; and I was assured that the dividends would be, whenever this was brought about, owing to the conversation they had had and the arrangement made with, I think, a Mr. Coates, and not Grant, 2 per cent., and Park finally offered to guarantee that it should be a dividend of 2 per cent. for a year, but reserving the right to tender me, at any time, the par value of the stock, so as to get rid of his guarantee, to compel me to abandon my guarantee, or give up the stock at par; and that was finally settled upon as one of the inducements to satisfy me that I was going to get into a good thing.

Q. Then, as you were to pay no interest, and inasmuch as the dividends were guaranteed to be 2 per cent. a month in the original agreement, did it occur to you at the time you were making that transaction that that was a bonus, during the year when you were to pay no interest, of 24 per cent.?—A. Well, in one sense, not. I understood the guarantee to be that it was a company that would divide that much; and that I might be sure if I went into it that I would obtain dividends from any stock that I might take to the amount of 2 per cent. It was afterward changed to one and one-half.

Q. Would not that be practically a bonus to you of 24 per cent. upon £10,000? Does it not come to that?—A. Well, I do not know.

Q. He guaranteed to take the stock back from you, on your demand at any time within the year, and, in fact, without interest, as I see it stated; and you, on the other hand, had a guarantee of 2 per cent. a month, or, assuming that it must run for a year, (and you must have both assumed that at the time you were making that bargain,) was it not practically a bonus to you of 24 per cent.?—A. I did not so understand it at the time. I understood this, that he was desirous to do me a favor, he having abundance of this stock and being a man of means, and desiring that I should go into that company with them, (he and my friend Mr. Stewart having talked it over between them, but my conversation and my contract being with Park,) and that, as an inducement held out for it, he would carry the stock, as it was for me, for a year; that is, he would give me a year's grace upon the note, and then, in order to satisfy me that it was a good thing which I was going to purchase, he would give me, and he did in the contract, an assurance that I should find that the stock would pay me a dividend at such a rate, but reserving to himself the right to stop it at any time.

Q. You were guaranteed against loss absolutely, and guaranteed dividend of 2 per cent. a month, and this transaction, on the face of it was to run at least a year. Did not that amount really to a practical bonus of 24 per cent. to you? I can understand that you did not see it. You are not a man of business; I am. That is the first impression made upon me, and this is the reason I put these questions. It strikes me as being a bonus.—A. It did not strike me as being a bonus, or anything of that kind; but it struck me as being an inducement to buy the property—an assurance that it would be a property of such value that the dividends were certain to be large.

Q. It was a special inducement held out to you that was not held out to any other shareholder, was it not?—A. I do not know. The company had not then been organized. Mr. Park was negotiating for the organization of the company that was to become the purchaser of the mine, and there was no concealment from or communication with any one about this. This was an agreement of my own independently, with Mr. Park, by which I undertook that I would be one of the shareholders and go in, if I could get, upon favorable terms, some shares, of which he had such control.

Q. Let me recall to you the following statement of the prospectus:

On account of the exceptional character of this mine, General Schenck, the American minister, has been induced to become a director.

That is clearly stated. It is not clearly stated in the prospectus that the inducement held out to you was that you should have five hundred shares, on which you paid no interest, and upon which you were guaranteed a dividend of 2 per cent. per month.—A. Ah! but you understand that these shares were to come out of Mr. Park's shares, if I did not get them of the company by subscribing, and it is so expressed in the contract. It is not a difference between myself and other subscribers in taking the shares and paying for them, but it relates simply to the question how I was to supply myself, by a private arrangement which I might have made with Mr. Park or with you or any one to loan me money for the purpose of going in.

Q. But the public were informed—and your name as the American minister is attached as responsible for that prospectus—that, in consequence of the exceptional character of this mine, you hd been induced to become a director. But the inducement which had een held out to you, that of being guaranteed against loss, and of being guaranteed dividends to the extent of 2 per cent. per month, is not stated in that prospectus?—A. No, sir; and I do not know why it should be. That was a question between Mr. Park and myself in regard to my obtaining the means. And I will observe further that I always understood that allusion to the exceptional character of the mine to mean that the mine was one of peculiar value, which had invited my attention as an American there. And that was the case, because I had then and for a long time afterward had—and I must confess that to a great degree I have yet—a very high opinion of the enormous richness and value of that mine, if it could be developed and explored. That is what I consider exceptional in the character of the mine.

Q. The result of it is that you had this bargain, which practically did give you the 24 per cent. When did you attend the first meeting of the board of directors? Do you remember the date?—A. The 28th of November.

Q. Was that the first meeting you ever attended?—A. That was the first meeting.

Q. Did you then state to the gentlemen who were present that you had this arrangement with Mr. Park?—A. No, sir.

Q. So that you codirectors were never informed of the inducements which were held out to you to become a director?—A. They were never informed. I do not know the reason why the directors or shareholders or any one, should know upon what terms I had borrowed money to buy stock in the concern.

Q. It is not altogether a question of borrowing money; it is a question of subscription to stock. You have testified that you subscribed to this stock by virtue of a contract with Mr. Park, which guaranteed to you 2 per cent. per month, and upon which you paid no interest, and that Mr. Park was bound to take this stock back. In other words, you were at no risk, and you had a certain income, and it is a question, therefore, of subscription. And I simply ask to get at the fact whether you ever communicated to your codirectors the fact that you had such a contract?—A. No, sir. You will understand that at the time I agreed to become a subscriber, to apply for stock and get it allotted to me if I could, Mr. Park furnising me the means, there was no organization of the company—there were no directors.

Q. But when you did meet them I simply ask whether you communicated that fact to them?—A. No, sir; that was on the 28th of November.

Q. You have stated in your direct testimony that you attended a meeting on the 1st day of December, and told the board that, in consequence of a telegram received from your Government disapproving of your connections, you proposed to resign, and that you therefore sent a letter to that effect on the 6th of December. Did you take any steps to inform the public, or have the public informed of your proposed resignation, or of your actual resignation?—A. I took no steps to inform the public beyond sending my resignation at once, except that I talked freely to my friends and acquaintances—those about me—of my purpose to leave, and of my having left.

Q. Do you know the date at which your resignation first became public?—A. No; I do not know with certainty. I know that it was not published for some two or three weeks, perhaps, in a circular from the company. It was generally known, I believe, and I know that I spoke to Mr. Anderson or Mr. Park or some one, and asked them why they did not notify the fact that I had resigned, and shortly afterward I saw that it was done; but I never went near the company again, and had nothing to do with the action of the company in regard to the resignation after it was sent in to them.

Q. The point of my question is this: Whether you took any steps, deeming it proper to resign, to have that made known to the public, because it so happens that during the interval (for the interval was to the 12th or 14th of January, more than a month,) there were extensive transactions in this stock, and during that time, so far as the public knew, you were still a director. I merely ask whether you took any steps to have it made known to the public that you had retired?—A. No; I did not advertise it in any way. I spoke freely of it. I informed the Government at home that I had resigned, and my impression is—indeed I feel perfectly confident—that it was generally known by everybody taking an interest in any way in the Emma Mine, that I had resigned. It was the subject of conversation and of remark.

Q. Will you be good enough to state whether the conversation you had with Mr. Park in reference to the reduction of your guarantee from 2 per cent. to 1½ per cent. took place prior to the launching of the com-

pany on the 9th November, or subsequently?—A. No; it took pla subsequently. It took place before Mr. Park left to return to the Unit States, in April or May. Oh! you mean the reduction?

Q. Yes, I mean whether you spoke to him about the dividends b ing reduced prior to the 9th of November, or subsequently to that. A. I do not recollect that. I think it must have been communicated him in some way by the time of the launching of the company, for th it was they reduced it to one and one-half per cent., and Park, adve ing to that fact sometime afterward, said to me, "You are not goi to hold me to a guarantee that this company shall divide two per cen (which was the original expectation when we were talking about o organization,) but only one and one-half?"

"Well," I said, "you are asking of me something for nothing, app ently, but my understanding was that whatever percentage could l divided that it would be a good company, and I would make no obje tion to it," and therefore I indorsed (I think it was on the 2d of D cember—I indorsed after this conversation sometime—I do not kno whether at the first production of the paper to me) what I ha agreed before that to do. But when the agreement was made I ca not tell you. I cannot tell you whether it was made on the 9th of N vember or prior to or after the 9th of November, but my impression i that the agreement, the understanding, that I was only to expect on and one-half per cent., which other stockholders got, must have bee at the time of the launching of the company, because there never was period when I expected to get more than the other shareholders. know that there was never any period at which I expected to get, unde my guarantee, more than that which was considered a full and fair an liberal dividend that the company itself might make.

Q. Let me remind you in your direct testimony, as I remember i although I have not seen the notes, nor you, I suppose, you stated th subsequently Mr. Park came to you and told you that some error ha been made in the computation of the profits, and that the company coul not stand so large dividends.—A. No; I could not have stated anythin of that kind, or I did not mean to so state if I did. When the orga ization was about to be completed, it was stated to me that they woul not pay two per cent., but one and one-half per cent.; then it was th Park represented to me the propriety of my not holding him to a gua antee for more than the dividends which were to be made.

Q. Your language was this: "That rate of dividends was reduc because they said that they had overstated the returns."—A. I did n mean to be so understood at all. All I knew was this, that at the tin this guarantee was given to me as a part of the contract, it was giv with the understanding that two per cent. per month would be the di dends upon the stock of that company, under the organization which th were effecting, or at that time expecting to effect. Afterward, wh they made their organization—and I think the first organization relat probably to their dealings with this man Coates—after that, when th did eventually settle upon an organization and declared what dividen would be made, they for some reason made it only 1½ per cent.; that the promoter, the parties who bought or represented the purchas and organized the company. Whether it was on the 9th of Decem or before or after that time, (I think it must have been before,) then was that, understanding there was to be but one and one-half per ce dividends, I consented, upon Mr. Park's suggestion, that I would al or modify the contract so far as to expect only one and one-half p cent., instead of two per cent., and that without reference to the ti

when I made the indorsement or statement at the bottom of this paper. That was carrying out my understanding, only that whatever was paid to other subscribers should be paid to me.

Mr. HEWITT. I ask the question, not because I wish to produce any contradiction—on the contrary, I very much prefer that it should be reconciled—but because Mr. Albert Grant, in a circular, about the time you left Europe or since, makes a statement to this effect:

So sanguine was Mr. Park of the yield of the mine, that he suggested a payment of 3 per cent. per month, expressing his strong conviction that the mine would pay that for years, and that the further they went down the richer the mine would prove. As I thought this might inspire the public with exaggerated ideas and expectations, after great difficulty I persuaded him to be content with the distribution of one and one-half per cent. per month, until twelve months' dividends in advance at this rate had been accumulated in the company's hands.

Now, in view of that statement of Mr. Park, and of your statement that they had overrated the returns, you observe that there was an impression left upon my mind that Mr. Park was representing one thing to Mr. Grant and another thing to you.

The WITNESS. I know nothing at all about that which Mr. Grant says. I did not even know Grant, and, to tell the truth, I had never heard of Grant, because I was not interested in any party that was managing for them. I was interested only in having association with a respectable set of directors and in making a good investment for myself.

Q. Now you have testified to having made two transactions in this Emma mining stock: the first, when you applied for five hundred shares and got three hundred, and sold out at a profit, and the second one in conjunction with some friend, which resulted in a loss of £3,000.—A. Yes. We lost a good deal more than that. We lost the margin of £2,000 that we put up, you know, besides that, and paid £3,000 to Jay Cooke, McCulloch & Co.; and I, so far as I was concerned, paid £1,894, that I had from other sources, toward the settlement of the matter between the gentleman who was associated with me and myself.

Q. Had you any other transaction in the Emma stock besides these two?—A. I have no distinct recollection of any other, unless it may be I once bought and sold (I am not sure that I did) two hundred shares of stock. I am not sure about that; I have been trying to recall it.

Q. Did it result in a profit or loss sufficient to make an impression on your mind?—A. No, it did not, and I am not sure about it at all.

Q. Then the only transactions that you had in the stock are your original subscription, your subsequent subscription of 300 shares, and the joint account which you had with some one in the hands of Jay Cooke, McCulloch & Co.?—A. Those were my direct transactions with the stock.

Q. First, upon the original subscription, you borrowed the £10,000, on which you became indebted to Mr. Park; the first indorsement on that you find to be £500?—A. Yes, sir.

Q. That I understand to have been derived from the sale of twenty-five shares?—A. Yes, sir.

Q. That was not money out of your pocket?—A. No, sir. It reduced my shares to four hundred and seventy-five.

Q. Then, the next payment on that note was a payment, or an advance rather, to Mr. Park of £500, as a margin for some stock operation he should go into?—A. I intended the £500 to be a credit on my note. I was not able to raise and pay him that much before I went away, but he talked about making some operations, and I left it to his discretion whether he would do so or not when he came to New York.

Q. Calling that a credit, it was the first money you had paid out of your own pocket, that £500?—A. Yes, although I had incurred the indebtedness for it.

Q. Then I understand you to say that when you made a settlement with Mr. Park in New York, you paid him $1,700 and over in cash?—A. Yes.

Q. That, then, was cash out of your resources?—A. Yes, sir.

Q. Then I understood you to receive a credit upon the note of £1,894 7*s.* 3*d.*, which was the result of some transactions?—A. That was the result of stock transactions conducted by Mr. Gager, the agent of Mr. Park.

Q. Do you know what those stock transactions were, in fact; what stock they were in?—A. I do not; I do not know how, or where, or with whom—nothing except that he gave me that amount.

Q. That was not money that came out of your other property, then?—A. No.

Q. In the next place, you testified that when you got over here, you found a further credit of £2,500 as the result of the £500 advance which you had made to Mr. Park?—A. Yes.

Q. No portion of that £2,500 was derived from your private resources?

A. Yes, the £500.

Q. I see the £500 is credited as a payment, but no other portion. The other £2,000 were profits?—A. The other two thousand? I do not understand. I had written to Mr. Park to know what were the indorsements. I had understood that he claimed that I had paid more, or got credit for more, than I made out. Mr. Park explained, that when we came to the final settlement in the way I spoke of in reference to a commission, this was refunded by this man, Mr. Grant, on the stock which had been sold to me by Park, and not by Grant.

Q. But, as matter of fact, there was no money that came out of your pocket?—A. No, excepting this, that I made it in one way and paid it in another.

Q. I am only trying to arrive at the actual payments made out of your outside property for this purpose, and I am analyzing it with that view. You made no other payment to Mr. Park at all on the Emma Mine transaction, as I understand, besides the $1,700 and the mortgages, &c., which you put in his possession for a debt of $32,000?—A. I call that a payment. Out of all my means I had I got together what I could.

Q. Yes, but I am trying to find the actual amount of money which has passed from your pocket or from your assets into the possession of Mr. Park up to this date. I will admit that you made that payment of $32,000 in a good mortgage as a payment, but I am coming to the money transactions up to this time.—A. No, not in cash, but I had turned over to him $32,000, I think it is, of securities, stock, &c., and $3,000 in a promissory note of Woodhull which I assigned.

Q. Was that in the Emma Mine transaction?—A. Yes, sir, that was in our final settlement.

Q. We will put that a little later, if you please, because I want to get through with this first. Then up to this point you are out of pocket in money £500 and $1,700 in round numbers?—A. In round numbers? Yes, sir, I believe I gave the exact figures.

Q. Now, to come back to your transactions in the stock; the sale of your 300 shares, as you stated yesterday, produced you a profit of £2,000?—A. Yes, sir.

Q. Your transactions with Jay Cooke, McCulloch & Co. resulted in a

oss of £5,000?—A. O, no. It was considerable more than that. It is something over £14 per share upon 500 shares.

Q. Yes, I understand that, but you compromised it by a payment of £3,000 and £2,000?—A. I will speak of that presently. It was over £7,000. That absorbed the £2,000 which belonged to me, and left somewhere in the neighborhood of £5,000. I used the £1,894 in settlement with the other party in that transaction when I assumed the whole matter, but that I had had the benefit of by credit on the note.

Q. Could not you use it twice?—A. Yes, and therefore you do not consider that as cash. Then I settled the balance by $16,666.67, I believe, being the equivalent to £3,000 cash.

Q. Then you were out £3,000 and £2,000?—A. Yes.

Q. That was a joint account with some one else, was it not?—A. Yes.

Q. Did you receive from the other party any portion of that money?—A. No; I gave the other party the benefit of the £2,000 which we had made and put up as a margin, and I gave the benefit of £1,894 7*s* 3*d*. The consequence was, that when I came to settle ultimately, it brought him in debt to me only some $3,000.

Q. Did he pay you the debt?—A. He gave me his note for it. I have not got it yet.

Q. The result of the transaction, then, was that you paid out £3,000 in addition to the £2,000 which you had previously made?—A. Yes.

Q. You were, therefore, a loser on that transaction to the extent of £3,000?—A. Yes.

Q. How much dividends did you derive from all the stock that you held during the year?—A. I got thirteen months' dividends at one and one-half per cent. per month.

Q. On the 475 shares, and on those 500 shares?—A. I think I got one or two months'—I think one month's dividend on that. But which 500 do you mean?

Q. The 500 shares which you bought, that Jay Cooke, McCulloch & Company carried for you.—A. O, Jay Cooke, McCulloch & Company, when they rendered their account, charged interest and gave credit for the dividends which they drew. They carried that thing all the time, and it brought out a balance against me of some £4,000 and upward, and they were exceedingly anxious to adjust their matters. It was after the failure troubles, and they proposed that if I would pay them £3,000 in cash they would consider it quits; they were very anxious to get it, and I paid it with the understanding, which I expressed to them, and which I express to you, that if I am able I will pay the balance.

Q. Now the dividends which you received—— A. That absorbed all the dividends.

Q. I understand that leaves you still out on that transaction £2,000. Now you received from your original subscription thirteen months' dividends at one and one-half per cent. on 475 shares?—A. Yes.

Q. Which in round numbers amounts to about £2,000?—Yes. I do not know exactly the amount.

Q. Well, about that; that leaves you, then, in all your transactions in the Emma, out of pocket to the extent of £1,000 there, the money you paid to Mr. Park, 500 shares, and the $1,700?—A. It leaves me out of pocket more than that; it leaves me out to the extent of $32,000 in stocks and $3,000 in a note, and leaves me on hand, as compensation for that, 475 shares, which are worth to-day about twenty shillings a share.

Q. Yes, that would be about $2,300, which is nearly equivalent to the £500 that you originally paid. Now, I do not quite understand in

regard to the settlement with Mr. Park. I understood you to say yesterday—but possibly I misunderstood you—that, in the first place, you borrowed from Mr. Park $15,000. That had no reference at all to the Emma transaction?—A. Yes, it had, in this way: I was gathering money by whatever securities I could to meet this indebtedness on the 500 shares. I know that that hampered me very much. I was disappointed in some calculations I had made when I came home to the United States. I told Park that if I could borrow from $10,000 to $25,000—and I did not know how much I would require—that, besides settling with him and turning over to him all these stocks, &c., as I have done, I should be able to settle my losses with Jay Cooke, McCulloch & Co. and start clear back to London again. I found that I did not need $25,000, that I could manage without that. I took an advance of $15,000 from Park, for which I gave him my three notes for $5,000 each, payable at intervals of one, two, and three years; one of those notes having been due last May and paid, and the others falling due, one in the May coming, and the other in the May following that.

Q. That transaction was an independent loan, no doubt, brought about between you by your relation to the Emma. It was $15,000, without reference to your settlement of your accounts with him?—A. Yes, that was independent of the Emma transaction, except this, that it was made necessary by my embarrassment, arising from that matter.

Q. I understand. But how did you secure the $15,000 to him?—A. I gave him a mortgage—a deed of trust they call it here—on my house and lot on the corner of Fourteenth street and Massachusetts avenue, which is entirely unencumbered except by that $15,000. I gave him my three notes payable respectively as I have said, in one, two, and three years, one of which has been paid, and the other two of which are outstanding. The deed of trust to Frederick Maguire, who is a real-estate agent here, for the benefit of Park, and the deed and notes have all been delivered to Park.

Q. No portion of that deed of trust to secure $15,000 was for the purpose of paying any portion of your previous indebtedness to Mr. Park? You received $15,000 from him?—A. No, not on the £10,000 note.

Q. You did not use it, or any portion of it, in the payment of the £10,000 note?—A. No. It mainly went to extricate myself from the embarrassment I had got into by reason of the purchase I had made.

Q Did you give Mr. Park the other mortgage, or deed of trust, besides that?—A. No, sir.

Q. Will you look at the agreement you have put in evidence, or the original obligation which you gave Mr. Park on the 1st of November 1871. Across the face of that obligation there is written the following

Mortgage given for balance, and this paper canceled and given up on settlement.
T. W. PARK.

Mr. Park evidently did not understand that transaction as you di for he says you gave him a mortgage for the balance on the Emma Min transaction, whereas you say you did not give it to him for any suc purpose.

A. That arises, I suppose, out of the fact that we mingled the things together all the time. The necessity of my having the money, I have said, arose from my difficulties consequent upon the purchase those 500 shares, and it was agreed that he would let me have $15,0 "Mortgage given for balance," does not mean mortgage actually giv for the balance on the £10,000 note. It was given for the $15,000 th was advanced to me.

Q. Then this statement is an error of Mr. Park?—A. It is an error so far except that I wanted to show that the thing was closed, and that I had given him a mortgage and turned over securities to him in order to get my paper back again.

Q. In your testimony in England, of which we have a printed copy, you made the same statement—that you did give a mortgage?—A. I say that these cases connect themselves with each other, and that I paid them.

Q. You there state as follows:

My indebtedness to Mr. Park, and my losses altogether, have since been adjusted partly by receipts from some more fortunate operations, partly by the sale of insurance stock that I had in Philadelphia, partly by the sale of county bonds which I had held for many years in Iowa and Illinois, in the United States, and partly by a further advance which I obtained from Mr. Park, when I went to the United States to look after my personal interests there, in the spring of last year.

A. My indebtedness to Mr. Park and my losses altogether. These things all connected themselves together in my mind, as my transactions were with the same person in that way.

Q. But in the original agreement there is, as we have seen, an obligation to give Mr. Park a mortgage on your house and lot in Washington City, United States, and then, as if in pursuance of that agreement, you have written across the bottom, "Mortgage given for the balance." As matter of fact, you have testified, and it is perfectly clear that you did not give the mortgage for the balance, but on the contrary—— A. No; I never gave that mortgage which is alluded to in the original agreement with Mr. Park. He never demanded it of me. I was to do it within a year.

Q. And neither did you ever give a mortgage for the balance of this £10,000 note?—A. Strictly and technically, no, perhaps; but, as you observe, I spoke of my losses altogether arising out of the Emma Mining Company transaction, and I say that the whole was settled; and in my testimony, you will remember, I put it in that way; having no papers before me at the time, I there say:

My indebtedness to Mr. Park, and my losses altogether, have since been adjusted, partly by receipts from more fortunate operations, partly by the sale of insurance stock that I had in Philadelphia, &c.

That arises from the fact that our settlements were at the same time The advance to me of the amount of money had been made, I think, at two different times prior to that, and at or about the 13th of May, I think, the last advance was made; for the $15,000 was not all given to me at once; it was given to me at different periods, through several weeks, as I was at home. I originally expected to have to settle all my indebtedness, and to meet what was not made up by the sale of my insurance stock, county bonds, &c.; and it was more money than I afterward did require. It was reduced to $15,000, which was all I asked, and the whole thing being transacted together, it makes it all to my mind as virtually one transaction.

Q. Then your actual payments upon this note are £500, $1,700, and $3,000, except the securities?—A. In cash; yes, sir.

Q. Those are your actual transactions up to this date?—A. Yes.

Q. The $3,000 was in no way derived from Mr. Park?—A. In no way derived from Mr. Park. You mean by that the note for $3,000 which I signed? No.

Q. You say you paid him $2,000 and $3,000 on account of the note with Jay Cooke, McCulloch & Co., for which he holds a "mortgage upon my real estate in Washington, and between $2,000 and $3,000,

to my bankers, Messrs. Drexel, Morgan & Co., of New Yor advanced it to me on account, to enable me to pay off a note to P $5,000 and interest."—A. Yes.

Q. That $3,000 was on account of one of those three $5,000 n A. Yes.

Q. Therefore that $3,000 was not paid on account of the £10,00 —A. The whole note was paid, and I have settled it since, I thin Drexel, Morgan & Co. I had to overdraw my account, or it wa drawn. They advanced more money than my balance in their amounted to at the time I paid that note; I think that I am nov even with Drexel, Morgan & Co.

Q. That $5,000 note was one of the three notes?—A. Yes.

Q. Therefore that note was not on account of the payment £10,000 note?—A. It was, or it was not. I mixed the whole th gether.

Q. But I am separating them with absolute clearness.—A. No not a payment on the £10,000 note.

Q. Now you have come down to these payments: £500 whi gave to Mr. Park when he came over, and $1,700 in money; £5 it $2,500—added to $1,700, makes $4,200 in money. You have in dividends, leaving out the Jay Cooke-McCulloch transactions £2,000, which is $10,000. You have got 475 shares of stock o which is worth £475; therefore, excepting for the securities wh have given Mr. Park to-day, if you balance your £10,000 tran you have got a surplus and not a deficiency on that transaction. the point I am arriving at.—A. Well, I cannot make that out.

Q. I repeat it, then, so that you will be perfectly clear upon But I know this, that my stocks are all gone, or in the hands Park and not redeemed.

Q. I will come to that. That is the answer to all this, no doubt want to be sure about this. Suppose you had never gone into a lation with Jay Cooke, McCulloch & Co., which has nothing to this £10,000 transaction. You gave Mr. Park £500 when he can and $1,700 in money, which, added together, make $4,200 in You have paid him nothing else upon account of the £10,000, ac to your own testimony. Now, you have derived in dividends fro stock, according to your own testimony, £2,000. Therefore, paid out $4,200 in money, you are in pocket £2,000, which is $1 money, (I am treating it as $5 to the pound in this rough calcu you have still four or five hundred pounds' worth of stock to sell is, say, $2,500 more. Therefore, on the £10,000 subscription ori you are not out of pocket any money, but you are in pocket in —A. I wish I could believe it was as favorable as that.

Mr. HEWITT. This was your own testimony.

The WITNESS. I compute my losses in this way: £1,894, for in is made up by my interest in a transaction in stocks. I got a upon the note for the £1,894, which ought to be so much money but in settling with my bankers, or those who carry the 500 sha have been purchased, my £1,894 is all sunk.

Q. Do you mean to say that you have got to pay £1,894 to Mr. —A. No.

Q. Then, how is it sunk?—A. I mean to say that I gave my in that matter the benefit of this £1,894, just as I gave him the of the £2,000.

Q. Granted; but that is a transaction absolutely independent *subscription* to £10,000 of this stock. You might have specul

old, or British consols, or Panama shares, or anything else, and made losses, and carried them in your own mind over to the transaction with Mr. Park, originally. But I am dealing with the original subscription of £10,000 in stock, and I want to know how much money you have paid out of your pocket in that transaction, directly, and not on any other.—A. Without reference to where the money comes from?

Q. Yes. I find by your own statement that you have paid out £500 and $1,700; that you have derived dividends to the amount of £2,000, and that you have got 475 shares on hand again. I understand you feel very poor in consequence of all these transactions, and so would I, but, as a matter of business, I want to separate them.

Mr. CHITTENDEN, (of counsel for General Schenck.) You take no account of this £1,894?

Mr. HEWITT. I ought not to take it into account, for he is credited in this note with £1,894. He had never paid in that amount in this transaction, although he may have chosen to pay it in some other transaction. It might have been a purchase of a house and lot in New York, or here, or anywhere else.

The WITNESS But suppose I make £1,894 by the purchase or sale of a house, and I then pay that £1,894 upon this note. Is it not so much of my money paid, whether I pay it in one way or the other?

Mr. HEWITT. You do not comprehend the point of my questions, and we will go back to them. That £1,894 came to you, as you yourself have testified, by transactions made by Mr. Park, of which you knew nothing. You never advanced a dollar; you did not even know the name of the stocks, or the operations; but you found yourself credited with £1,894 which did not come out of your pocket in any sense at all. It was as if manna had fallen from heaven upon you. You found the credit. That you might go and use £1,894 in some other transaction, in consequence of finding this treasure-trove had come to you, is very possible and very probably, but it was nothing, so far as this transaction was concerned—it was not a payment.

The WITNESS. I could use it in any way I pleased.

Q. But was it not a mere benefaction from Mr. Park, as far as you were concerned?—A. No, I should not call it so.

Q. Was it not an operation in stocks of which you knew nothing, which Mr. Park had carried on?—A. I knew this, that Mr. Park had said to me repeatedly, "I can make some money by buying and selling stocks, and I mean to instruct my agent to buy and sell in my behalf; and I want you to be interested in a certain proportion of what I do in that way." Subsequently, though I had nothing to do with the transactions themselves, it was reported to me that there was that much to my credit.

Q. It took none of your money, did it—none of your outside money?—A. It was my outside money. It took what belonged to me. I applied it in that way.

Q. Did you not receive a credit of £1,894 in what may be termed a mysterious way? It put into your hands £1,894 that went to the credit of that note?—A. No.

Q. Did you expect a loss? If Mr. Park had come to you with a loss of £1,894, would you not have been astonished?—A. I did not believe I would lose at all.

Q. But he is not infallible. Did you go into an operation in which you were to make or lose, according to the results, or was it an operation only to make?—A. It was an operation in which I expected to make some money.

Q. Suppose an account-current had been rendered you with a lo would you have accepted the loss?—A. I did not put up any margin all.

Q. The £1,894 went to your credit—that is the fact; at any rate, I dealing with the facts as I find them here—of course you deal w them as you see fit. If that £1,894 comes back, even, it would subst tially balance the account, but it did not come from your private pr erty. Now I come to the $32,000. I understood you to say yesterd that you had deposited stocks and other security with Mr. Park as curity on a loan running four years; that during that four years were to take dividends on those stocks of yourself?—A. Yes, sir. Th are but two of them that pay dividends now.

Q. No matter what they pay, you are to have the dividends?— Yes.

Q. Practically, then, Mr. Park is in the attitude of holding y property as security for a balance on which you agreed, but on th securities you take the profits?—A. Yes.

Q. You are not out of pocket in those transactions at all, at t time?—A. You will allow me to explain that matter a little more fu When I came to settle with Mr. Park, in May, 1874, he said, "Y account is about balanced, I should think, and I am not sure that I not hold some money to your credit." Then he went on to explain me that he had made transactions with Mr. Gager, his agent, w kept his books, and that as he had been transacting business for benefit as well as his own, intending to help me, (because of the d culty that he had brought me into in the first place, in subscribing these shares, and in the next place in encouraging me to believe tha I bought 500 shares they would probably be sold at a considera profit;) he meant to see me through, and see me out. I said to h "Mr. Park, I cannot have anything more to do with things of th kind. I will not consent to be paid in that way. I accepted the cre made upon the note before, upon the explanations that were given; I if there stands to my credit £6,000, or more than £6,000, or anything that kind, it matters not, I will not settle it in that way. I shall co my own losses." We had a great deal of talk about it. He was war perhaps I was a little. I said "I have not a great deal that I can o you in the way of security."

I spoke of some manufacturing stock that I have held for some fift years or more in a manufacturing company in England, (that I w into originally with my friend, Mr. Bates,) but that was far away, an American security. I spoke of one or two other things. I spoke real estate I had in Minnesota and elsewhere. I said, "Howev I can get together, out of the means that I have, stocks enough, I thi to cover this balance, which, after I pay the $1,700, is only ab $32,000, reduced to American money." And then it was that (as insisted upon it on my part) he accepted a transfer to him. I sign the transfer, so that he could use the stocks if he wanted to, and I pledged with him, or it amounts to that, these $32,000 of differ stocks, with the privilege of redemption within four years. I add $3,000 more (being a note which he held) as a margin to cover intere in part at least; and that is the way the matter now stands.

Q. Do you still owe him $32,000? Is that the balance?—A. I get my stocks back if I am able to redeem them within the four ye

Q. Yes; but the amount you owe him is still $32,000. Is that it?— Well, no. I consider that I have settled it by transferring those sto

only that I have the privilege of buying the stocks back again if I can pay for them.

Q. But would the transaction be $32,000?—A. It would be more than $32,000, because I suppose the $3,000 note and more will be absorbed in interest upon it.

Q. But I mean you could not get them back without the payment of $30,000 or $32,000?—A. No.

Q. In your testimony taken in England, you say, "I think I now only owe about $12,000 or $13,000." That is because you treat this as payment?—A. Yes; I treat this as payment.

Q. Now, if it is payment,(excuse me for asking the question, because it is hard for a business man to understand,) how is it that you are permitted to go on and draw the dividends?—A. Because it was a special agreement. I had the privilege of buying them back. I turned over $32,000 in stocks and $3,000 in a note, and am to pay him interest if I can redeem within the four years. I wish you would read the contract. It is very explicit, I think. I meant to make it so.

Q. Yes, that it is a payment; but nevertheless, although it is a payment, you are still in receipt of the dividends upon the property?—A. That was by express agreement. He will have the interest upon the note I gave him.

Q. You accepted from Mr. Park two statements without knowing the nature of the transactions at all, took the credits, and applied them upon the note. But you arrived at a point when you would not do that any longer. Although he insisted that he had made enough money for you on transactions similar to those of which you had before accepted the profits, you insisted that you would not take it any longer; you had had enough of that. Now, can you explain on just what principle you stopped taking at that point and refused to take any more, and determined to settle with him, to pay off the debt?—A. It was upon this simple principle, that Park, who, I suppose, always felt that he had brought me into this trouble and embarrassment, was disposed to deal very liberally with me, I must say, upon all occasions, and to assist me in working out of it; but I can understand how a man who is a little proud and sensitive and at the same time feels, perhaps, that he is under a greater weight of obligation because he is not wealthy, may accept help to some extent, and yet not be willing to go on and go on accepting more help in that way when he has anything with which he believes he can pay. Now, I felt that I was able to pay him without being under any obligation to him for continued advantages thrown in my way to help me work out this debt, and I insisted upon doing it. It may be sentiment, it may be a principle, but I cannot explain it in any other way than that that was my feeling and my determination.

Q. Didn't you have the feeling that you ought to pay back the other credits that you had received, or were you unable to do that?—A. O, no; a man may accept assistance in managing his business to a certain extent, and not be willing to go on and go on, and put himself under too great a load of obligation in that way. I think I can draw the distinction.

Q. Did not, in fact, the noise that had been made about this thing, and the scandal that it had created, influence you in your determination no longer to receive these favors?—A. It may have had something to do with it.

Q. It would have been a very prevailing argument?—A. Yes. I do not think it would have been different if these things had not existed.

Q. Do you mean to say that if there had been no noise about it, then

you would have still insisted upon settling?—A. I think probably I should. I have a horror, Mr. Hewitt, of debt, and I do not know that any man has ever had to complain of me that I have not met my obligations not only fairly, but proudly, as far as I could; and I did feel that it would be getting too much assistance from Mr. Park, or from anybody else, to have him go on and assist me by speculations or otherwise, in working out from an embarrassment in which I had been involved. I could appreciate his motives. I could appreciate his disposition to account to himself, by this sort of treatment of me, for a difficulty into which he felt that he had drawn me, but at the same time I could appreciate my own motive and feeling and act upon it, that I would not go on incurring a weight of obligation of that kind. I think you would have done the same thing.

Mr. HEWITT. I can readily understand your position in that matter, and as I close all the questions I am going to ask, I wish to say that you will observe that I have proceeded very carefully upon the theory that you made a *bona fide* transaction with Mr. Park at the outset, because I believed that. Therefore I would not degrade either myself or you by making any other suggestion.

The WITNESS. You do me but justice in saying so.

Mr. HEWITT. That being so, I find you accepting from Mr. Park certain credits in transactions in which you had no part, but which inured to your benefit. I find you stopping at a certain point and refusing to do that any longer, and insisting upon making the settlement. If I had been in your place I should probably have felt as you do, that the scandal was a thing which would destroy my reputation as a public man, if I allowed it to go on, and it turned out that I had never paid anything and never intended to pay anything; I think I should have acted just as you did. The only point I cannot see about it is why, having arrived at that conclusion, you did not feel constrained to go back and try to settle it all up, or why you put in the agreement that peculiar provision, when you turned your property over to Mr. Park, that you were to receive the proceeds of the property—its dividends or earnings, in the mean time. Those are matters which seem to me to have been errors. I frankly state it to you in order that you may understand that I am not doing anything to place you in a false position.

The WITNESS. Yes, sir. I now state to you the reason that I reserved the right to the profits, which are somewhere about $2,000 or $2,200 upon the insurance stock and the coal stock together. It was that, while the four years remained within which I had the right of redemption, I wanted to retain to myself—particularly as I had put up a margin of $3,000 beyond the $32,000—as a means of subsistence, the proceeds of these stocks, intending if I was able at the end of the four years to adjust everything, to pay to the last farthing principal and interest; and that contract is drawn in such a way as to secure that payment to Mr. Park.

Mr. HEWITT. Of course you readily see that it leaves it open to this suggestion, that Mr. Park, who has pressed these favors upon you, and who did not cease to press them even at the time of that settlement—very much to his credit, I think, if he had drawn you into a bad position—it leaves it still open to everybody's mind that at the end of the four years the stocks will be returned to you and the transaction closed; that you might repudiate the whole thing.

The WITNESS. You might say the same thing with regard to my mortgage on my house here. I am receiving the rents of that house during that time, and yet it is under mortgage.

Mr. HEWITT. I never knew a mortgagee to collect the rents of a house :cept in a case where it was actually supposed to be necessary for his otection.

The WITNESS. Exactly; and I can understand that a man might ake a mortgage, or pledge of stocks as well as of a house or lot, and eeive the dividends or profits. It is a mere matter of contract. I do t know whether it is most usual to do so, or not to do so, but as a re matter of contract, whether you reserve the rents and profits, or idends, either of stocks or houses or anything else, the contract nds for itself, and it is to be adjusted at the end of the period. That a matter of agreement, I think.

Mr. HEWITT. I have put it at you fairly, in order that you may exin the position in which you are placed, and you have explained it your view, and I have no further questions to ask.

Mr. MONROE. To complete the idea, I want to ask General Schenck question, because it reflects what has often been alluded to in the ess. I want to ask the general whether, when Mr. Park was pressg favors upon him, and offering him these advantages which have en detailed from the beginning of the transaction, the fear did not ggest itself to General Schenck's mind that Mr. Park might have en doing this all the time for the sake of getting the benefit to himlf and to his enterprise of General Schenck's official influence, and the ight of his name as minister of the United States?

The WITNESS. No, it has never occurred to me that Park was seeking influence me in that way; and I believe him to be a generous and eral man, and that he felt very badly at having been instrumental in awing me, by his advice and suggestion, and an offer to sell stock to e, into this transaction of the Emma Mine.

Mr. MONROE. But the impression seems to be on General Schenck's nd that Mr. Park was influenced by personal kindness toward himlf from the beginning, in allowing General Schenck the advantages ich he did in making the private arrangement at first. Now, did it ver occur to the general that possibly Mr. Park might have had some her motive than that of personal kindness; that he might have shed to obtain the weight of General Schenck's name and influence?

The WITNESS. In what transactions? In the original sale of the ck, do you mean?

Mr. MONROE. In having the advantage of saying that the American nister was a shareholder, and finally that he was a director.

The WITNESS. O, I dare say that Park and all the parties who were erested in the mine, or in putting it upon the market, were exceedgly glad to have me associated with them as a shareholder, and still tter satisfied afterward when I consented, advisedly or unadvisedly, be a director; because I have vanity enough to believe that my asiation was not discreditable in any enterprise. There was a period 1873 when I did not know what to think about the history of the ne. It was then that I wrote one of my letters to Park—I never ote many to him—the answer to which I have put in evidence here, which he goes into an explanation of all his motives, and his whole nduct, and of the history of this mine. I drew out of him that statent in that letter, by writing a letter at a period when I was feeling her sore about the renewed attacks upon me, and in consequence of at seemed to be a doubt on the part of Mr. Anderson, Mr. Brydgesillyams, and others, whether they had not been taken advantage of these venders originally, although these were the very men who emselves, confirmed all that the venders had said, and all that the

rest of us had believed, as to the condition of the mine, by the reports that they made after they had visited it. So that, perhaps, that answers the question that there was a time when I wanted Park to make explanations to me, and he did.

Mr. MONROE. The point that has been made in the press is that General Schenck had what the gentleman from New York (Mr. HEWITT) calls a bonus—one year's dividends without paying any interest during that year on the money which he had borrowed from Mr. Park, and had this private guarantee which other shareholders did not have.

The WITNESS. I explained all that matter to myself in this way: The company was not yet organized; it was not yet certain that it would prove to be a success. Park was there with the other vendors to dispose of the mine. He proposed to hold on to half or more than half of all the shares in the mine himself, showing thereby his confidence in it. That was always my understanding. Out of the abundance of shares that he would have, if they were not allotted to me by the company, he could make up 500 shares to me, and he was willing to do that, partly as a favor to me, and partly to get me associated, probably, as a subscriber for shares in the concern; and it did not seem to me to be that stretch of favor upon the part of Park then that it strikes Mr. Hewitt now that it was; that is, that it was in the nature of a bonus. As I looked at the thing then, it was not certain that the stock would be upon the market, or that they would be able to organize the company.

By Mr. HEWITT:

Q. Then your purchase would have to come to nothing if the company had not been organized.—A. It would have come to nothing, certainly.

By Mr. HAMILTON:

Q. When did you first become acquainted with Mr. Park?—A. At London; I should think about the middle of October; I cannot remember the date. And just here I may correct a misapprehension. It does not amount to anything, perhaps, but I want to be as exact as possible. It was not a dinner given by Mr. Evarts at Miss Edwards's Hotel—the Royal Cambridge Hotel—where Park and Stewart were both stopping, as well as Mr. William M. Evarts, but it was a breakfast. I think I never met Park until I met him at that breakfast-table. I should say it was about the middle of October; it may have been earlier than the middle, because, allowing some two or three or four days for the time which elapsed before there was any discussion about my going into this purchase of Emma Mine shares, and then remembering that when they first presented all their papers, and I sat over the table examining them night after night, one of the most important of them, namely, Professor Silliman's report, they were not able yet to furnish me, because they said they had not yet a copy of it. Therefore I think it must have been a little before the middle of October.

Q. Of what year?—A. 1871.

Q. Then, about the middle of October, 1871, you first met Mr. Park?—A. Yes, sir.

Q. Did you have any knowledge of Mr. Park before?—A. No, I can't say that I did have any knowledge whatever of Mr. Park before that time, but I met him under circumstances which brought me into very familiar acquaintance with him, almost immediately; because I found that he had been a very intimate friend of an intimate friend of mine—*Solomon* Foot, of Vermont—and he told me a great deal about Foot,

ıd what Foot had said of me, and I was introduced under very vorable auspices at Mr. Evarts's table, and he was associated with Mr ewart, whom I have known a great many years here at Washington. quaintance and familiarity with a man are not to be measured by ne.

By the CHAIRMAN:

Q. How long had you known Ex-Senator Stewart?—A. Well, I hardly ow how long. I have known him all the time he was here in the ıate of the United States. Mrs. Stewart was educated at George-rn, in part, with my oldest daughter, and I met him soon after he rried Senator Foote's daughter, I think here in Washington, but I ınot exactly trace back the time. It is a good many years.

By Mr. HAMILTON:

Q. About the middle of October you met Mr. Park. That was the t time that you had ever seen Mr. Park. How often did you meet ı between that time and the first of November?—A. Well, I suppose ıust have seen him at least every two or three days, because, after y opened this subject to me I used to go to their rooms, considering question whether I should venture upon such a purchase as this or , and I used to sit in the rooms, as they had a common parlor, of . Stewart and Mr. Park, and go over the papers which they furnished , explaining their mine. That brought us into very familiar acquaint-ce during that time. I cannot tell how many times I saw him, but t about as you would know the members of this committee, after ving met with them for two or three weeks daily.

Q. Then you almost daily met Senator Stewart and Mr. Park?—A. s, almost daily, in the evenings. I was at my legation during the r.

Q. Did they discuss the mine freely during this time?—A. O, yes.

Q. In your presence?—A. O, yes; more with reference to whether or I would take an interest in it than anything else.

Q. If they discussed it in the middle of October, the first time you r Mr. Parks, and on the 1st of November, when this note was drawn, ı you not recall the name of Albert Grant as being mentioned?—A. ever heard it mentioned. And that leads me to think that at the ıe they first spoke to me about it they had not yet thought of employ-Grant, or making any engagement with him for putting the mine ın the market. I did not even know with whom it was that they were t dealing, except as I heard incidentally the name of Coates in con-tion with a report that had been received, or was expected to be re-ved, about that time, from Professor Silliman; and did not remember name Hankey. Grant's name was not mentioned to me at all. I not know Albert Grant until after I had become a shareholder l the company had been organized. And although it might seem to ıtlemen to argue one's self unknown not to know Albert Grant in city, I did not know at that time, as I have already explained to committee, half a dozen people, probably, in what is called "the y."

Q. I speak of those conversations which you were having with se gentlemen almost daily, when they were talking about this mine l its prospects. It seems very singular that you did not know who re the promotors of the mine.—A. Whether it seems to you singular not, such is the fact. The sort of conversation we had did not relate that point in the matter. It was the value of the mine, the richness the property, the propriety (if a company were organized) of my

seeing my way to make a little larger investment than I had ever bee accustomed to make in anything, by purchasing (if I could be supplie with the means, as I was) a number of shares of the stock.

Q. This note was drawn on the 1st of November?—A. Yes.

Q. When was the stock placed upon the stock-board?—A. I do not think they ever put it upon the stock-board.

Q. When were these shares subscribed for? When was the company organized?—A. I think it was closed by the issuing of the prospectus and I think it is dated the 9th of November.

Q. Your notice was given on the 9th of November?—A. Yes.

Q. You state also that Mr. Park gave you the money on this note?—A. Afterward, when the stock was to be paid for.

Q. You subscribed, then, for a stock that had not been placed?—A The contract itself shows the terms of the subscription. He was to le me have so much out of his stock in case it were not allotted to me upo application. Then I went forward, after having closed my contrac with Park, by which contract I was secured the means of getting th money to pay for the stock. I put in a regular application for so man shares, and upon their being allotted to me, Park advanced the money from time to time, as the requisitions were made, and the stock wa paid for, and thus the contract was completed on his part.

Q. Were you acquainted with the American Emma Mine Company —A. No.

Q. Did you know anything about it?—A. No, I never knew anythin about it.

Q. During these conversations with Mr. Stewart and Mr. Park, di they never speak about the American Emma Mine Company?—A. I d not remember that they did. I understood that they represented th vendors or the owners of the mine, or were themselves its vendors o owners.

Q. Who owned these 25,000 shares in excess of the stock subscribe for?—A. I do not know.

Q. You supposed that these were Park's individual property, did yo not?—A. I supposed he owned a very large interest in the property the were selling; indeed, that was the tenor of their conversation. I sup posed Park to be the largest proprietor, and I heard the name of Baxte mentioned as one of the owners.

Q. You mean to state that you did not know there was such a thing a the American Emma Mine Company during all the conversations that yo had with these gentlemen?—A. I won't say I never heard of it, but do not remember hearing anything about any American Emma Min Company until they came to pass the title and close the matter up. looked upon these persons as representing the property, and my concer was to know its value and its richness, and whether there was a likeli hood, in case a company were organized in England, of its paying larg dividends.

Q. You speak about a mortgage on your house. When was that mor gage (or deed of trust) given to secure Mr. Park?—A. It was given t the time of our settlement, February 13. I think it was executed a fe days before that, as I prepared the mortgage and carried it with me to Ne York after we had made the agreement. I remember I took the acknow edgment before a Mr. Camman.

Q. February 13 of what year?—A. 1874.

Q. Had there ever been a mortgage upon your house?—A. Befo that?

ℓ. Yes.—A. No; not given by me; but there had been a deed of trust en I bought the house.

ℓ. Were you compelled to carry that deed of trust?—A. No; it had n paid off. When I contracted with Park in 1871 he was satisfied h a pledge of the 475 shares. I said, "I want to give you ample urity. In addition to that, I can give you a mortgage upon my house l lot, if you do not think that sufficient security for the £10,000." expressed the greatest disposition to regard me as good, and I think ator Stewart told him I was a man that would keep my obligations. l if you look at that contract you will find that I state that, if de- ided within a year, I will make a mortgage as further security on house and lot here in Washington, which I guarantee to be free n all incumbrance, except a deed of trust for $5,000, which was held Messrs. Riggs & Company for Mrs. Adams, a daughter-in-law, I ık, of John Quincy Adams. That deed was upon the house at that e. That was a part of the purchase-money, and I assumed it, but it s paid up afterward. That was in 1871. Then in 1874, when I ually executed a mortgage for that $15,000 to Park, there was no in- nbrance on my house, and there is none now, except the balance of it $15,000, which is $10,000 with interest.

ℓ. The only thing I wanted to ascertain about was this mortgage. ere was a mortgage in 1871?—A. No.

ℓ. A deed of trust—a lien?—A. Yes; there was a lien of $5,000.

ℓ. There was a lien upon that house of yours?—A. Yes; of $5,000.

ℓ. When was that paid off?—A. I do not know that; I cannot tell n now. I think it was along some time in the year 1871 or 1872.

ℓ. When you were trying to get money to pay for these stocks?—A. had nothing to do with those.

ℓ. But at the time you were trying to get money to pay for the cks?—A. No; it must have been some time in 1872 that it was paid I can ascertain.

ℓ. About the time you were endeavoring to get these sums to pay Park?—A. Well; they had no connection with each other at all. I s in receipt of a little money from different sources, and I paid my ts as fast as I could, and among the rest I paid the last note. I nk, probably, I can produce the note to you.

ℓ. There was a mortgage on your house at the time, and you paid ff?—A. In 1871, there was a remnant due, which I assumed as part the purchase-money, being the only remaining lien upon the house. st was $5,000, in favor of Mrs. Adams. I do not remember pre- ly when I paid that off; but some time between November, 1871, and y, 1874. The Adams note had been entirely paid off. I think I e the original note.

ℓ. You knew Mr. Park, then, only one month prior to this arrange- nt of November 1. How long was Mr. Park in London after this?— I think he remained until May. He spent that winter there.

ℓ. Then, after May, your connection with Mr. Park was entirely by ter, was it?—A. By letter, occasionally. I did not have much cor- pondence with him even by letter. But I heard of him, or about n, through his agent, Mr. Gager, a great deal.

Q. After giving the note he was only in London two or three months, d after that time your acquaintance with him was by letter?—A. He s in London up to May; I should think about six months in all.

By Mr. SPRINGER:

Q. Will you let me ask you whether the indorsement on the back of

the contract you signed with Mr. Park is in your handwriting or not?—A. This is in my handwriting; yes.

Q. You dated that May 13, 1874?—A. That was the date of our settlement of everything; the date of my handing over to him the mortgage for the advances that he had made.

Q. This indorsement, in your handwriting, is as follows: "Mortgage given for balance due, and this paper canceled and given up on settlement, May 13, 1874. T. W. Park."—A. Yes.

Q. Now, was there a mortgage given to pay the balance due on this paper at that time?—A. I have already explained to Mr. Hewitt what I mean by that. I connected all the transactions together. The $15,000 was not paid to me on that day. Perhaps $5,000 of it was then, or a day or two before. I arrived in the United States in the first week of March. My leave of absence was for sixty days, with forty days allowed for travel, which gave me one hundred days altogether, before I got back to London, and I sailed from here to return to my post on the 20th of May. I had been in New York three times, including the week or two at the time of my arrival, week or two before I sailed, and a period of a week or so in the interval, and I had been about in Illinois and elsewhere, arranging, collecting money, &c. During that time Park had made me advances at different times, and the whole of the advances that he had made to me in aid of my adjustment and settlement of everything, amounted to $15,000, when he settled on the 13th of May, over and above the settlement of the note by the transfer of stocks, &c. And connecting the whole thing together, I consider the mortgage which I gave then, and the other matters which I had turned over, (lifting the £10,000 note,) as being a final adjustment of the entire transaction between us.

Q. The mortgage given then, which is indorsed upon this paper as "for balance due," of course was not given to pay any portion of what you owed on this note?—A. No; in one sense it was not. It was given to pay an indebtedness to Park. It was mixed up with the whole indebtedness, and I had been careful always to speak of all the things as combined together.

Q. Did you state when you paid the $5,000 lien, or the Riggs-Adams lien upon your house here?—A. I will inform the committee, for I think I have the original notes that I took up. I remember I was very much relieved when I made the last payment on my house, and I think it must have been in 1872 or 1873, I have forgotten which.

Q. Did Mr. Park furnish any portion of the funds by which that lien was lifted?—A. None in the world. He had no more connection with it than you have.

Q. What funds were used for that?—A. I do not know. I can go into my private matters if the committee desire.

Q. It had nothing to do with the mortgage?—A. No, sir; nothing whatever. I think I had some income from bonds which I had in Ohio, and some stocks which I sold, in order to get along and meet debts—some portion of my coal stock, as I explained the other day. I bought my house principally by a trade of lots which I purchased here (in Washington) twenty-odd years ago for two or three cents a foot, or less. They rose in price, and I traded $13,000 worth of those, and assumed the deed to Mrs. Adams, and a deed to somebody else, I believe. There were two deeds of trust on my property I believe, when I bought it, both of which I paid off.

Q. What is that indorsement?—A. "Mortgage given for balance due, *and this* paper canceled."

By Mr. PACKER:

Q. The word "due" is not in the printed copy attached to your testi-
ony taken in England?—A. No.

Mr. PACKER. If you put in that word, and strike out the comma, which
not in the original, it makes it entirely consistent with the general's
xplanation of it.

The WITNESS. I closed up everything with Park at that time. I gave
m the mortgage, got back my papers, and whether I made the proper
dorsement or not, it was in my own handwriting, and I can show that
e whole thing was closed.

By Mr. PACKER:

Q. You observe that the exhibit attached to your deposition is differ-
t.—A. Yes, very different. The word "due" is left out in the print
re.

Q. That is, the print of the exhibit attached to your deposition taken
London.—A. Yes. As printed here it would purport that it was for
e balance on that note. I am glad you observed that.

By Mr. FAULKNER:

Q. General, you have stated that according to the contract between
rk and yourself, as you understood that contract, you were not to
ceive, or, rather, he was not to guarantee any dividends beyond those
ich would be declared to the shareholders?—A. That was my under-
anding, but he said these dividends would be two or three per cent.
owever, you will have Mr. Park before you, and other witnesses, who
ll know more about that than I do. Still, I will give my impression.
think they had brought pretty nearly to a conclusion, as I afterward
arned, some arrangement with Mr. Coates, about putting this mine on
e market. This is the way they do things in England: They employ
at they call a promoter, a man who undertakes to pay all the ex-
nses and organize the company, and put the property on the market.
that time they expected and intended to be able, from the profits of
s mine, to make a dividend of two per cent. per month. Mr. Park
d me that, and said he would be willing to guarantee that if I would
y into the property it would be one that would pay that much. After-
rd, upon further examination, it was reduced to one and a half per
nt.

Q. My inquiry is this: If, according to that contract between Park
d yourself, he was not intending to guarantee to you anything more
an was actually declared to the shareholders, what was the value of
at provision in the contract at all; was it not a mere nullity?—A. I sup-
se that it did not amount to much in a legal sense; but it did not strike
so at the time. What I wanted was an assurance that here was a
od thing, and that, in all probability, they would be able to continue
pay what they were going to begin with, at least a year—dividends
such an amount—and it was written down in the contract. Whether
had any legal effect or import or not I did not stop, perhaps, very
ich to consider. But it was one of the assurances that I had from
Park as to the value of the property that I was buying, that these
re shares which would be sure to yield me that much.

Q. The question I ask you is this: Could it be any assurance to you
he understanding was that it was not to extend to his guaranteeing
you anything but what would be actually declared in favor of the
areholders?—A. Well, in this way: I should have been entitled, for
stance, had they only divided one per cent., to my one and one-half per
nt. from Park. But I suppose he was too shrewd a man to be caught
that way, and *he had another provision* inserted, that he could get

clear of his guarantee in case he offered to take the stock back. So that he had the guarantee under his control in this case; but as long as the guarantee stood, I suppose I might have been able to enforce it, and if the other shareholders had only got one per cent. I should have been entitled to compel Park to make it up to one and a half per cent. to me.

Q. But my idea was that you stated that the understanding was that you were not to exact of him at any time anything beyond what was actually declared to the shareholders?—A. O, no. When he found that the company would only pay (when they came to organize it) one and a half per cent., he appealed to me to reduce the guarantee to one and a half per cent., because the object in stating two per cent. was to cover what was at that time intended to be the dividends. But as it afterward turned out that the dividends were only made at one and one-half per cent. a month, it was in the spirit of our agreement that I should not exact from him more than one and a half per cent. I remember well when he first mentioned that to me on the final organization of the company, and I recollect that I said to him, "I am giving this up pretty readily, it seems to me, in reducing this to one and a half when I have your guarantee for two." However, I was willing to do it, because I only wanted the assurance that this would be a paying company, and I did not think there was any propriety in my getting more than other shareholders did, except that I would not have gone into the company (it being a mining company, with more risk than ordinary associations and properties) unless I had been assured that we were going to have a high percentage paid in dividends. If it had gone down too low I should have been disposed to object. I wanted an assurance that it was going to be a good dividend-paying company. I have had the question put to me as one of law whether there was anything in that guarantee or not. I confess I am not quite settled in my mind how it did occur to me.

By the CHAIRMAN:

Q. In one of your dispatches to Secretary Fish you state, as I understand, that as an American citizen you have a right, while occupying the official position that you did then, to invest your money in what you thought proper. Did you refer to the stock of the Emma Mine, or any other venture that you might consider would better your prospects?—A. Yes.

Q. I understand that that was your remark to Secretary Fish in this telegram, which I have not now at hand. I want to know whether or not that is the doctrine which you hold to-day, namely, that, occupying a position as American minister abroad, you have a right to go into the stock-market and to invest your money as you think proper, without reference to your obligations to the Government?—A. That is putting it rather strongly to say "without reference to my obligations to my Government." It is a question what those obligations were.

Q. Your obligations as minister plenipotentiary and envoy extraordinary to the court of Saint James.—A. I think that so far as I do not offend against public propriety in any way I have the right to buy and sell stocks, houses, or lands, or anything else, as diplomatic representative, or as a member of Congress, or in any other capacity.

Q. That is the question I wanted to ask you, whether or not, as minister plenipotentiary, you thought you had a right to invest your money in speculative stocks of any sort or description.—A. I think so. I think that I have a right to buy stocks and sell them. I do not think it would be a commendable thing to go into the stock-market and

ecome a stock-jobber, or anything of that kind, because that would be ssuming a sort of status before the public which might be regarded as nconsistent with the position. But I think if I see an opportunity of uying into a company, by which I shall get good dividends and make good investment, or of buying or selling some property, that I am not o be prevented from that because I am a minister of the United States.

Q. You did not think that ought to be any restraint upon you at all?—A. That is putting it very broadly. As I said before, I do not think a man ought to assume a position which would make him regarded as a stock-jobber, and which would withdraw his attention from his own proper duties, or detract from the dignity of his position, to engage in operations of that kind. But I do not think that if you, or Mr. Hewitt, or Mr. Monroe, or any one, should buy and sell some stocks at your discretion in a fair and honest way, that you would thereby be offending against the proprieties of your position, because you hold office under the Government.

Q. Then I understand it to be your doctrine, sir, that you have a right to invest in what you please—in such a property, for instance, as the Emma Mine—as an American citizen, without reference to any obligation under which you may feel yourself to this Government, which you are representing in a ministerial capacity?—A. So far as a mere investment goes, if it is an honest enterprise.

Q. That is another question.—A. Ah, that, of course, is another question. Will you allow me to see those telegrams? I think that, as it was put to me by the Government there, I am entirely in accord with the statement as it is qualified.

Q. Here is the telegram in which Mr. Fish replies to yours:

Although a public officer, you have the full right of every citizen to be a shareholder, and to invest your money in such honest enterprises as you think proper; and neither the Government nor the public have any right to criticise or censure you for so doing.

My only question to you was whether, as minister plenipotentiary and envoy extraordinary, representing the Government at the time, you had the right to go into stock speculations of any sort; such, for instance, as the Emma Mine. That was my broad question, sir.—A. I accord entirely with the doctrine as laid down here by the Secretary of State, namely, that, although a public officer, I have the full right of every citizen to be a shareholder, and to invest my money in such honest enterprises as I think proper; and that neither the Government nor the public have any right to criticise or to censure me for so doing. I hold that to be sound doctrine, and am willing to abide by the doctrine as stated in the telegram to me by the Secretary of State.

By Mr. FAULKNER:

Q. You stated that when you were weighing in your mind the propriety of your acceding to the proposition to become a director, you were ultimately led to the conclusion which you reached by the precedent of the minister of Portugal, the Duke of Saldanha?—A. Yes.

Q. What is the reputation or the character which that minister bears in the diplomatic circles of Europe?—A. As I understood it then, it was in every respect very good and very excellent. He was an old gentleman, who impressed me very favorably indeed—the oldest diplomat in years at that court. Within the last two or three years there has been abuse of Saldanha, (as there has been of me in this matter,) because of his connection with that enterprise; but at the time that I speak of, the prospectus of the Lisbon Tramways Company was advertised in the pub-

lic papers, as afterward was that of the Emma Mining Company as I said before, one of the very papers at least which called att to the fact as something peculiar, that the American minister ap as one of the directors or managers of this company, called att favorably (without any reference to the impropriety of the D Saldanha being engaged in it) to this prospectus of the Lisbon ways Company. And therefore, as I said before, that was one things—and I think it was more that than any other one thing—determined me that there would be, according to the usages whi vailed there, no impropriety in my permitting my name to be used. ask me for the reputation of the Duke of Saldanha. I can gi nothing against it at all. I believe he has been abused recently connection with the Lisbon Tramways Company, but I believe it cause that company turned out to be a failure, and they did not profits from it. And I do not think, if this Emma Mine ha on and been profitable, and paid one and a half per cent. monthl dends to the shareholders, that I should ever have been much a or been even the subject of much criticism. That is my convicti

Q. In looking, then, at the precedent before you, of his con with the Tramways Company, did it not occur to your mind tha might be a wide distinction in point of fact between his patron tramways company, which is not necessarily a matter of haza speculation, and that of your patronizing a mine, which is nece a matter of hazard and speculation?—A. I do not know. It pr be an unfortunate company. It was, as I said the other day, a dent which appeared to me to be on all-fours with my propos nection with this company; because this tramways company was lished upon a concession for the construction of tramways in Port not in England, but in Portugal; the concession being made King of Portugal to the Duke of Saldanha; and it was put up English market just like this American property, with an Englis pany, under their limited-liability law for the association of com and there seemed to me to be a complete accordance between t As to the propriety or impropriety of his being connected with pany of that kind I never heard a breath of objection at that tin until long afterward—indeed until very recently.

Q. Would it not strike you that the precedent was not, as you "on all-fours," in the fact that those tramway companies, ordin least, would not be matters of risk or speculation, whereas a mine necessarily be a matter of risk and speculation?—A. I do not Mines are very profitable in the United States, or a great many o and they produce largely; and a good many men, perhaps some here, have taken interests in them and not thought they were anything wrong. I think that a mine is more hazardous than property, just as insurance is more hazardous than some other k property; but that risk is usually compensated for by the pros larger dividends, which are made in proportion to the risk. I thi a matter of argument more than anything else.

Q. I was not speaking of it as being dishonest at all, but only necessary hazard.—A. O, I think mine-property is more hazard

Q. Would there not naturally be a distinction, in the action of ister, between patronizing an enterprise that was ordinarily one low profits, to be sure, but very certain generally in its results mine, which is necessarily always a matter of hazard and specula A. I do not know. I think it turns, not upon that, but upon th *tion* whether the one is moral and the other immoral; the one rig

the other wrong. I think that either of them would be right. I only think that any one, whether an officer or a private individual, on going into a speculation of that kind, would expect that, in proportion to the hazardous character of the speculation, he must look out and be very careful to satisfy himself that it is a good property, he taking the chance of its running out, as mines may and do. I think that he would expect greater profits as part of that which he bargains for when he goes in.

It did not occur to me at all that, if the Duke of Saldanha might, without any impropriety, be a director and chairman in that case, it was not an example directly in point for my being a director in the other case. I have said to the committee that, on looking back and reviewing the whole matter, I think I made a mistake in consenting to let my name be used at all, and that gives me more concern than anything else connected with this whole matter. But as to my doing a wrong or immoral thing, I may be obtuse, but I cannot see that I did, and I do not believe that I did wrong—that is, a wrong in the moral sense of the word. The history of the Duke of Saldanha is, I believe, that he has been eight times at the head of his government as premier, and that he has been minister to England for several years. He was introduced to me by other members of the diplomatic corps, and we all cherished him as a fine old fellow. He is eighty-four or five years old, and I believe is the only man living who commanded a brigade at the battle of Waterloo. I took to the old fellow very much, I confess.

Q. I think you remarked yesterday, quoting from Mr. Park on that subject, that a certainty could only be obtained at the end of the pick, or words to that effect—that it would be a mere speculation?—A. Yes. When I wrote to Mr. Park asking him what all these stories were, he, among other things, used that expression. It is no expression of mine. It was contained in a letter that was read in connection with my testimony.

Q. Read at your request?—A. Yes, read at my request; but I do not indorse all the papers that I read.

Q. That was presented by you as evidence before the committee?—A. I do not know that I am to be held responsible for the abstract opinions that Mr. Park or any other gentleman may have as to the mining of silver or anything else.

By Mr. WILLIAMS:

Q. Can you recall to mind the particular place in London in which you wrote your resignation as director in this company?—A. I think I can. I think I wrote it at the legation. I was living on Half-Moon street, at a hotel—Fleming's—and my lease of my house began on the 1st of November, 1871. I moved into it just about that day, or the day after.

Q. Do you remember to whom you delivered that letter, or how it was communicated to the board?—A. I think probably that I handed it to Mr. Park and asked him to give it to the board. He knew that I was going to do so.

Q. Did you write, or deliver to Mr. Park, more than one letter of resignation?—A. No, sir.

Q. I want to call your attention to this testimony of Mr. Lyon:

General Schenck wrote to him (to Mr. Park) about the first of December, as nearly as I can remember, (it was a short time previous to the writing of the letter which I have seen published recently,) resigning his position as director of the Emma Mine Company. Park showed me this letter, which was directed to the chairman of the Emma Mine Company, but which was sent to Mr. Park first. He told me to look at the

letter from General Schenck, and he mentioned that he had resigned. I said I understood so, as it had been talked about for a day or two. I read the letter, to the effect that he did not want to give his political enemies an opportunity to criticise him.

Farther down he says:

Parks said, I am going to have a better letter than that from the general. A few days afterward he showed me this other letter, which has been published in the papers, in which General Schenck speaks of the character of the directors. This letter was dated December 6, 1871, and is the one which I have seen published here within a few days past."

What have you to say to that?—A. I say that that is the only letter which I sent to the board; but I did modify it, and I am not at all sure that Park himself may not have made the suggestion to me, when I said what I had written, "Why do you say you are going to hold on to your shares?" I think if you will compare that original draught with the copy published you will find it to be the same thing.

Q. Was this rough draught ever delivered to Park so that he could have shown that to Mr. Lyon?—A. I do not think he could have shown it to Mr. Lyon, because it was probably sealed when I gave it to Mr. Park. I do not know whether it was or not. I had no objection to Park's seeing it, because he was one of the directors, and my impression is that I gave it to Park, and asked him to hand it to the directors. I never saw the directors afterward.

Q. Is this a correct copy?—A. This is a correct copy of the letter which I finally sent.

(The attention of the witness is called to the printed heading upon the back of the paper, on which the rough draught is written.)

The WITNESS. Well, I had got into my house. It is written on paper containing the heading, "58 Great Cumberland Place, Hyde Park, W." That is the house of which I took a lease—a lease that I have held ever since. I see that it was written upon paper which I had at my house there. It was on the first of November that I got into my house, so that, instead of being written at the legation, I presume it was written at my house.

Q. And the modifications were at the suggestion or request of Mr. Park?—A. I do not know that they were; but I think it not at all improbable that Mr. Park may have said something to me about this declaration that I was going to hold on to my shares; still, I hardly think he did, because I think he was not present at all. I have no doubt that when I handed it to Mr. Park I may have shown him what there was in it. That is only my presumption.

Q. Have you any recollection of his taking this away, and your afterward writing the other?—A. No, I have no recollection of that kind at all. I do not believe a word of that.

Q. Again on the same page, soon afterward, he says:

Some time between the 20th December and the 1st of January a report came to London that Senator Blair had introduced a resolution in the Senate to investigate General Schenck's connection with the Emma Mine, or rather to investigate the connection of foreign ministers with mining enterprises. We knew it referred to General Schenck. Park and I discussed the matter, and he said, "I have fixed that matter with the general." Said I, "How did you fix it?" Said he, "I sent to the general and had him give me his note for this stock, and write me a note at the same time that if his note for the stock was not good security enough he would give me a mortgage on his house and lot in Washington.

What have you to say to that?—A. I have simply to say this: As to what took place between Mr. Park and Mr. Lyon in conversation I cannot answer. That is hearsay, you will observe. The statement, so far as I am concerned, is utterly untrue; and I do not know how to account for a part of that, namely, the statement that I wrote Park a let-

ter that I would give him a mortgage upon my house and lot. I am quite confident I never wrote Park anything on the subject. What is written is put into the body of the contract, and the man who concocted that story probably had seen or heard something about my contract with Mr. Park and what it was, and had mixed up the two things, and thought I had written a letter to Park to that effect; but at all events that is all untrue.

Q. Was there any conversation or correspondence to that effect between you and Mr. Park after the 1st of November?—A. None at all. I have been very emphatic about that, and intended to be so.

Q. When this note of £10,000 was given to Mr. Park who was present?—A. I do not knowt hat anybody was present except him and me.

Q. Was anybody else present when the agreements were made, do you recollect?—A. I do not know. I do not think anybody. It may have been that while the negotiation was going on Mr. Stewart was in, and that he had some knowledge of the character of the agreement we were making. I do not know whether he had or not. There was neither an attempt at concealment nor was there a publication of it. It was a transaction made in the ordinary way.

Q. It was not necessary that this agreement to give a mortgage should have been made there?—A. I do not know; I think not. It related to real estate here in the United States. I think that agreement took it out of the statute of limitations entirely. I was anxious to have Mr. Park get all the security I was able to give him, and he was not disposed to press that matter.

By Mr. PACKER:

Q. I want to ask you with reference to the stipulation of Mr. Park to guarantee a two per cent. dividend. Was there anything said to you at that time with reference to your becoming a director of the company? —A. Nothing whatever.

Q. Then th t guarantee was not to induce you to assume the directorship of the company?—A. In no way whatever. The contract, as I have said before, was with reference to my making an investment in these mining shares with the expectation that I should thereby get a valuable property; and the inducement or motive to be a director, or anything of that kind, was no part of the contract, and did not enter into it, but was wholly a subsequent matter.

Q. Was the statement in the prospectus to which your attention was called by Mr. Hewitt, that "Major-General Schenck has, on account of the exceptional character of the undertaking, consented to act as one of the directors," correct, or did you agree to act as a director in consequence of the inducements previously offered to you to become a stockholder?—A. No, O, no; not at all; it had nothing to do with it as I understand the use of that language. It was meant to show that I thought it was so good a mine that I was willing to go into it, being a man of some position and known, when I would not have gone into an ordinary mine. That was the fact. You could not have tempted me into an ordinary mine, and I do not think any one will ever again tempt me into a silver or gold mine. But the word exceptional there, as I always understood, relates to the character of the property and its value. I wish to repeat that when I first heard that this was a mine in the Little Cottonwood Cañon, there at once occurred to me what I had learned about the enormously rich and valuable character of the ores discovered at that place, as I have already stated in my testimony here.

Mr. PACKER. The reason I called your attention particularly to this

was, that I thought there might be some confusion in the testimony as to the date and as to the reasons that operated upon your mind in becoming a stockholder, as well as the other reasons that induced you to act as one of the directors of the company.

The WITNESS. Well, all my examinations of the mine and of the papers presented to me showing its condition and its workings were made with a view, not of my becoming a director, for it did not enter my mind at all, but with nothing else in view than the question whether it would be a good investment for me to make. I wanted to satisfy myself of that. I was not examining it with a view to helping Park, or Stewart, or anybody else, I admit, but I was examining it with a view to promoting my own interests. I thought I had made a good investment, and it proved so for a year, until finally it came down with a crash, and it has been bedeviled and mismanaged ever since. And though I do not know enough about mining or about that country to be sure of it, yet I have received so much information from various sources that I now believe that if, instead of the circulation of all these slanders, the persons giving currency to them would devote their time to sinking shafts, developing and following the vein and working the mine, it would be found, as it probably will some day, that it is really at this time an enormously valuable property. I give that only as my impression, my conviction, from all the information I can get.

Q. In Mr. Lyon's testimony he says that Mr. Paffard told him that General Schenck "told him (Paffard) in the first place that he did not know much of me, (Lyon,) in fact knew hardly anything about me, but that he thought I was an adventurer." Have you any recollection of having had such a conversation with Mr. Paffard?—A. I have not. I do not remember saying that Mr. Lyon was an adventurer. I heard of him as connected with this matter, wrangling about his share of the profits, and then turning round and charging that the whole thing was a swindle, because he did not get what he expected. If I did not say he was an adventurer, I probably thought so—had no doubt of it at all—and I would probably have begun before a great while to have thought he was a great deal worse than that, had I known him. But I had heard a good deal of Lyon in one way or another. I will ask the committee, when they come to the cross-examination of Mr. Lyon, to read a letter that I have here from Mr. Brett, who is the inspector in bankruptcy, dated the 3d March, which I found waiting me when I reached Washington, inquiring whether I can inform him if this James E. Lyon, who has been testifying here, was an absconding bankrupt for whom they had been hunting in Brussels, Paris, &c. It must have been written by Mr. Brett on the day I left London. He, I think, is the son of Justice Brett, and an inspector in bankruptcy. This and such things of course give me an impression about him. I will put the letter into the hands of the committee or the counsel here, to be used or not, as may be thought proper.

Q. Mr. Lyon says in his testimony that Mr. Paffard told him that he had put the question to you whether you, being a man of inconsiderable means as he understood, had paid for those shares yourself, and that you replied to him that you had no objection to telling him, and that you stated you had a patrimony left you from your father's estate of about $25,000, which consisted of some coal-mines in the State of Wisconsin?—A. I never said anything of that kind to Mr. Paffard or to anybody else. I do not understand that Mr. Lyon says I told it to him.

Q. No, he says Paffard told him.—A. My father never had any interest in coal-mines that I know of in the world. What patrimony I had

was in the shape of real estate. It was something more than $25,000. I never said anything of that kind to Mr. Paffard. Paffard, I thought to be rather an impertinent fellow, when I came to see him. I consented to see him one day after he had written several letters which I disregarded. There is a letter, I think, put in evidence here, published in Paffard's pamphlet, and which I presume is a correct copy of the letter I wrote to him. Perhaps I can ascertain whether it is correct by my correspondence at home. By that letter, it will be seen that I finally yielded to the man, and gave him an interview at my house. I could not go to find him because I had not communicated with him while he had been writing threatening letters to me; but he had made a poor mouth to other people, as well as on one occasion to me, by saying he had invested all his means in buying five shares in this company, and he wanted to know what I could tell him in regard to these statements that had been made in regard to my connection, &c. I had a conversation with him at my house. He struck me as a man whose acquaintance I did not care to continue in that way, but I let him go on. Mr. Paffard I knew very little about, except in a general way. I have heard of him as being the author of a pamphlet, which he called "The True Story of the Emma Mine." I think I understood that he was an attorney's clerk, rather a shrewd, smart sort of a fellow down in the town. One of the bankers there told me so once when I asked who he was. I think this Paffard was primed and informed about all these matters by Lyon and others, and that he was put forward by them to make this pamphlet. As I say, he sought this interview with me, and I accorded it to him. I afterward became satisfied that the man was a cat's-paw, to tell the story of some "American gentleman" about the mine; and the story which he publishes is pretty much the same story as that which you have heard here. I have heard nothing of Paffard for a long time past.

Q. Do you remember substantially your conversation when he did come?—A. I simply reaffirmed what I had before said; that I had gone into this matter as an investment; that I had bought these shares and was paying for them; that I could not advise him upon the subject at all; that I was going to hold on to my shares as I would to a ticket in a lottery or anything else, even if the hope were very distant of making anything out of them; that I was going to hold on to them so that nobody should say that I went into this matter and then deserted it when it began to tumble about our ears; and I said, "You must do what you please about your own five shares." I believe he said he had five shares. The result of it, however, was that he went on and talked very politely and pleasantly, and seemed desirous to know whether I was a rich man or not; and this led to some questions that I thought rather impertinent. He went away, and I do not know what he said to Mr. Lyon or any one else with reference to what I had said to him in the conversation. I said nothing to him in reference to a patrimony in Wisconsin, or anything of the kind, as it was not the fact. But there might have been something said about coal-mines. I perhaps told him that I had never been engaged in silver-mining, but that I had had some interest in a coal-mine in Illinois, and he may have mixed up the States. It is not every Englishman that knows the difference between Illinois and Wisconsin, and a good many of them think we have no coal mines, even, in this country.

Q. Did you, or did you not, authorize Mr. McCulloch, of the firm of Jay Cooke, McCulloch & Co., to speak to Mr. Lyon on your behalf?—A. Never. I never asked anybody to speak to Mr. Lyon on my behalf.

By Mr. SPRINGER:

Q. I understand that this letter dated December 6, 1871, which yo have read from the rough draught, was the only letter you wrote i resignation?—A. As far as I remember, it was the only letter I wrote.

Q. Was it written upon the date mentioned here, December 6, 1871?- A. Yes; at that date. I am certain of that, because I had gone to th last meeting I ever attended, which was on December 1, having onl attended the meetings of the 28th and 30th of November previously t that. I told them, "I have made up my mind, gentlemen, that I a going to resign," and I gave them in a general way my reason.

Q. If there had been any other letter than this one written, would yo remember it?—A. If I had written any other letter than this one, would have been on the same day.

Q. Then you would remember if you had written two letters?—A Yes.

Q. You state that you did not write two letters resigning your direc orship in that company?—A. Yes; I think I did not.

Q. Will you state why it is that you communicated to the Secreta of State a different letter from this one in your correspondence, whic is here exhibited?—A. I do not know that I did.

Q. If you compare the two you will see the difference between the They are as follows:

LONDON, *December* 6, 1871.

SIR: I hereby resign my place as a director of the Emma Silver Mining Compa and request you to communicate this notice of the fact to the board at their ne meeting.

In thus withdrawing from the trust reposed in me, I desire to express to my asso ates in the management of the company my sincere and high appreciation of each a every one of them, as gentlemen of distinguished position and character, with wh it has been to me a pleasure to be connected; and I beg also to record my earn assurance to you and to them, that in giving up this position I am controlled by co siderations purely personal to myself, and that I continue to have the fullest con dence in the value and profitableness of the property they have in charge, in which still hold all the shares I have been able to take.

I am, very respectfully, your obedient servant,

GEORGE ANDERSON, Esq., M. P., *Chairman, &c., &c.*

LONDON, *December* 6, 1871

DEAR SIR: I hereby resign my place as a director of the Emma Silver Mining Co pany, and request you to communicate this notice of the fact to the board at th next meeting.

My resignation is upon grounds purely personal to myself. In consenting to beco a director I know that I but exercised a private and individual right, in no way compatible with public or official duty; but I prefer to take away from some w have criticised, even a pretext for their comments or attacks. I beg, therefore, record my assurance to you and the other members of the board, that I continue have the fullest confidence in the value and profitableness of the property they h in charge, in which I still hold all the shares I have been able to take.

I am, very respectfully, your obedient servant,

ROBT. C. SCHENCK

GEORGE ANDERSON, Esq., M. P., *Chairman, &c.*

The WITNESS. It is "and request" here. This, you will remember my rough draught of the letter, preserved for a copy.

Q. It was copied from that?—A. Yes. (Having compared the lett referred to.) I do not know how to account for that difference in a other way than this, that this copy which I have presented was a rou draught of the original that I sent. Have you from the records of t mining-company the letter that was sent there?

Mr. SPRINGER. I do not know. This was transmitted to us by t State Department as the one forwarded to the Department by yo *self.*

The WITNESS. This I have always supposed to be the original draught, having found it among my papers.

Q. This copy you also stated in your letter was published in the London Times on the 12th January, 1872. It could never have been taken as published from the draught that is before you; it is an entirely different letter.—A. Well, there is no very material difference.

Q. Does not this, then, corroborate the statement of Mr. Lyon that there were two letters written, and that he had seen two different draughts?—A. No; it does not corroborate the statement of Mr. Lyon that Mr. Park was fixing up a letter for me, or anything of that kind. In regard to this letter, I wish to state that the letter I wrote was written on the 6th of December. I found among my papers this, which I supposed to be a rough copy of the one which I sent. In my testimony I said that I supposed it would be found to correspond with the one which is in the archives of the Emma Mining Company, and as communicated to the directors. The discrepancy between this and the other copies I suppose must have arisen from the fact that in writing one draught I enlarged it at the same time.

By Mr. WILLIAMS:

Q. I will ask you if this contains your own interlineations and alterations.—A. It does. The two are substantially the same, except that there is a sentence here about my having exercised a private and individual right: "In consenting to become a director, I know that I but exercised a private and individual right, in no way incompatible with public or official duty; but I prefer to take away from some who have criticised me even a pretext for their comments or attacks;" but whether that sentence was omitted in the copy, or how it was, I do not know; nor do I know in whose handwriting the copy in the State Department is. Perhaps it is that of one of my clerks; I will see, however. The counsel think that the letter of Mr. Brett should be read. I submit it to the committee. The letter is as follows:

[Harry Brett, Milford, Pattinson & Co., public accountants, English and foreign.]

150 LEADENHALL STREET, E. C.,
London, March 3, 1876.

His Excellency General SCHENCK,
United States Minister of Great Britain, 53a Old Broad Street, E. C.:

YOUR EXCELLENCY: It appears by the report in the public press that one "James E. Lyon, of Wisconsin, now transacting business at New York," has been giving evidence against you.

In 1874, one James Elias Lyon, then residing at the Langham Hotel, London, was adjudicated a bankrupt. He appears to have been in the enjoyment of plenty of ready cash and to have dabbled freely in Stock-Exchange transactions, and the claims already tendered against his estate amount to between £4,000 and £5,000.

James Elias Lyon, the bankrupt, absconded from England, as I am informed, firstly to Paris and subsequently to Brussels, and has since been lost sight of. He has filed no statement of affairs, neither has he surrendered to his bankruptcy. He is also reported to have been connected with some American mining operations in London. His adjudication only took place after a very long delay, he having kept his creditors at arms-length as long as possible. As one of the committee of inspection, I am very desirous of ascertaining the present whereabouts of the bankrupt, and whether he is identical with the James E. Lyon, of Wisconsin, and I may be able to render you some assistance in return for any kind information which you may be in a position to give me.

I am your excellency's obedient servant, HARRY BRETT. *T. B.*

I give that letter with reference to the inquiry made as to what I had ever said about Lyon's being an adventurer. It is a part only of what I have heard.

Mr. HEWITT. I refer you to this statement of Albert Grant's in order that you may correct what I *understand* to be incorrect statements there:

Shortly after the company was launched, a series of attacks was made in America (some of which were reproduced in this country) upon General Schenck, on the ground that he, being American ambassador, ought not to have joined a private commercial undertaking, and his assailants went the length of calling upon the American Government to compel General Schenck to retire from the board, or to give in his resignation as American minister; but I was told by Mr. Park that General Schenck declined to do either. He felt, he said, it was a point of honor to remain on the board of the Emma Mine Company, and he declined to be coerced by political opponents into giving up his diplomatic post. Later on Mr. Park told me that the President of the United States had telegraphed to General Schenck that his political enemies were making so much out of his having joined a private undertaking as a director that he begged and urged him to send in his resignation as a director of the company.

That statement, I take it, is not correct?—A. That is not correct at all. The committee have before them the whole fact. I initiated the suggestion, that if it was an embarrassment to the administration for me to continue in this position, though pained and surprised by the criticisms which have been made upon my conduct, I would either withdraw from the board or take any other course which might relieve the Government from any embarrassment. That was the first telegram that ever passed between me and the Secretary of State upon the subject. There had been no suggestion made to me and no call upon me to resign.

By Mr. HEWITT:

Q. Did you tell Mr. Park that the President had sent you a telegram begging you to resign your position as director?—A. No, sir.

Q. Did you tell Mr. Park that it was a point of honor to remain on the board of the Emma Mine Company?—A. No, sir, I did not.

Q. In this statement of Grant's, which you have probably not read, he says that the first and only time he ever saw you was at that board-meeting at which you resigned.—A. I think I can fix the date. I think it was on the 1st day of December. So far as I have explained, it is true that I retained my confidence in the mine, the property, and my respect for those with whom I had been associated.

Q. All the rest is a fiction?—A. All the rest is a mistake, about my having been called upon to resign, &c.

Q. And this statement is that you said you would resign your post, but that Park felt he had no right to ask you to sacrifice your public and official career, and therefore consented to your resignation.—A. O, no; that is all a misapprehension on the one side or the other. I said nothing of the kind.

By Mr. SPRINGER:

Q. Did you attend a meeting of the board at the time your resignation was delivered, at the time Albert Grant speaks of?—A. My recollection is (and I am pretty confident about that) that I was never in the board-room at a meeting of the board of directors after the 1st day of December.

Q. You never attended a meeting after this letter dated the 6th?—A. No, sir.

Q. Were you present in the board after that letter was presented and your resignation announced?—A. No, sir.

Q. Then Albert Grant never met you there, or heard you make any statement at all?—A. I was in the board-room on the 1st of December, which was the day after I received a telegram from Washington, and there happened to be a meeting just about to take place. I went down, and my principal object in going that day was to let them know that I was going to resign. The board was to hold a meeting some three or four days after that. On the day when the board was to meet, or when I thought it was to meet, I sent my resignation down.

Q. Did you tender your resignation at that meeting of the board?—A. This part may be construed a tender; I told them I was going to resign, but that I would submit it in writing. I did not give it in writing then. I did not give it in writing until the 6th of December, which perhaps was at the next meeting of the committee. At any rate, I knew they met every four or five days, and sometimes, perhaps, oftener.

Mr. HEWITT. There is a statement also made by Mr. Grant, that he had many conversations with Park and Stewart prior to the launching of the company, in which he insisted upon it that you would be a most desirable member of the board, and in which they, or at least Mr. Park, said he had no doubt that your services as a director could be secured, &c.

The WITNESS. I have no knowledge of what may have passed between these other gentlemen. I can answer only for myself.

Adjourned.

WASHINGTON, D. C., *Thursday, March* 30, 1876.

ROBERT C. SCHENCK recalled.

The WITNESS. Before going on with the examination this morning, I should like to refer to one or two matters which were the subject of examination yesterday. One is the letter of resignation. I think I understand clearly now the manner in which the mistake was made, and what is the fact in relation to the resignation and the apparent difference between the two letters. When I was examined in London, and again when examined here, I produced what I found, in the few hours that I had in which to look over papers, a rough draugh of my letter of resignation, which I supposed was an exact copy of the one sent to the Emma Mining Company. I am inclined now to believe that the letter which was communicated to Mr. Fish, and which was published in the London Times, was the letter that went to the board, written, however, on the same day, and being the only letter that was sent. I find, upon comparing the two, that the only material difference of any kind is in the interpolation, the interlining, perhaps, of one sentence at the time when I came to write it out in full.

Mr. SPRINGER. And the recasting of two others?

The WITNESS. Well, there was no change of the sense in any way. I find that this letter was published in January, 1872, in the money article of the London Times, and upon that I wish to make a comment. I have searched and found, at the State Department, the extract from the paper. Before I make that remark, however, I must say this: I observe that Mr. Hewitt, in the course of the cross-examination of the witness Lyon, asked how long General Schenck "concealed from the public" (using that term) the letter of resignation. I never concealed it an hour.

Mr. HEWITT. I should doubt whether I put it in that form; but if I did, in the hurry, it was not in the sense in which you construe it. I simply meant to ask how long it was withheld from the public.

The WITNESS. I made no secret whatever of my having resigned. It was not my object to do so. I can state, too, from casting the matter over in my mind, that it was no secret whatever in London; it was known pretty generally; and, in further proof of that, is the following letter of George Anderson, the chairman of the Emma Mining Company:

[From the London Times, January 12, 1872.]

The following relates to the Emma Mining Company, the retirement of General Schenck from the direction, *and the rumor* circulated with regard to the mine in San Francisco *and other parts of America:*

GENERAL SCHENCK AND THE EMMA MINE.

EMMA MINING COMPANY, (LI
QUEEN VICTORI
Janu

SIR: The directors have no desire to thrust the affairs of this company before the public, as they have every reason to be highly satisfied witl and prospects of the company; but the remarks made by the Philadelph ent of the Times, and published on Friday last, cannot be passed ove shareholders might be induced to sacrifice their property in the belief been deceived.

As the Times has lent the weight of its great circulation to the depreci it seems not unreasonable to request that you will publish something of a and I beg to inclose a letter from General Schenck on his resignation as director, which I have full permission to make public.

It was a matter of great regret to lose General Schenck's straightfo and shrewdness at our board; but you will observe that he left from n able to himself, duty to his Government, and loyalty to his party; tha unabated confidence in the prospects of the company, and that he " nection," not, as stated by the Times correspondent, "with the comp with the management.

The extracts the Times correspondent makes from the White Pine Nev that the late owners had "gutted the mine", and that there was to be tallest lawing ever known," as to its ownership, would be entirely unw but for the Times circulating them.

Against litigation for the title we are guaranteed by the vendors, and lawing" has resolved itself into an offer to accept £8,000 as settlement a property just sold for a million sterling, a sufficient proof of the natu made.

If the mine has been "gutted" the operation has been somewhat inc sides the large masses of ore known to remain at the date of purchase, discovered since, and of a still richer character. But these matters of more fully explained to the shareholders, who are really the parties inte the public.

I am, sir, your most obedient servant,

GEORGE ANDE
Chairman of Directors of the Emma Mining Compa

(Inclosure.)

LONDON, *Dec*

DEAR SIR: I hereby resign my place as a director of the Emma Silve pany, and request you to communicate this notice of the fact to the boa meeting.

My resignation is upon grounds purely personal to myself. In consen a director I know that I but exercised a private and individual right, in patible with public or official duty; but I prefer to take away from criticised, even a pretext for their comments or attacks. I beg, therefo assurance to you and the other members of the board, that I contin fullest confidence in the value and profitableness of the property they in which I still hold all the shares I have been able to take.

I am, very respectfully, your obedient servant,

ROBT. C.

GEORGE ANDERSON, Esq., M. P., *Chairman, &c.*

It will be seen that he assigns as a reason for publishin of resignation that, as it was known that I had resigned fro persons had erroneously and improperly circulated report it to be understood that I did so because of my want of mine; and that in order to prove this statement to be untr pany, and he as chairman, concluded to publish my lette the public might see that it was not upon that account, t the fact that it was known that I had resigned. Therefore, I on my part there was no concealment whatever. Indeed, I have been a little surprised, as well as annoyed, and to hav thing, I think, to Mr. Park, and perhaps to Mr. Anderso the letter had not been made public, because, had it been, know how and why I had resigned. The letter, however, s *appeared* with this explanation.

Mr. HEWITT. I find the question put by me to Mr. Lyc

ws: "Do you know any reason why the resignation of General henck was concealed from December to the 12th of January?' did not assume, therefore, that General Schenck had concealed his signation.

The WITNESS. I beg your pardon. I got that impression. It is a uestion put by another member of the committee:

Were there any facts within your knowledge connected with the operations of that ompany, that would account to your mind for the fact that General Schenck delayed is resignation from the board of directors for one week, and withheld it from the public for more than a month?

I delayed it only from the 1st of December, when I announced that I had made up my mind to resign, until the 6th of December, which I understood to be about the time of the next meeting of the board. I did not withhold it from the public at all, for I had nothing to do with the company after that. If it was not published, it was not my fault. I believe it is not usual in private companies to publish the fact every time a director comes in or goes out. There may have been in this case some special reason why it should have been known, and there seems to have been some departure from the usual course on the part of Mr. Anderson, the chairman.

Mr. HEWITT. The reason in this case was that you were a public man.

The WITNESS. I am able to state that it was very generally known, and that the reason for it was misrepresented, as you will find by the article in the Times.

One word more. I can understand the references that were made to the two letters of resignation. There never was but one letter of resignation sent, and that was on the 6th of December. I may have enlarged it by a sentence or two, in the writing out from my rough draught, as one sometimes does, in writing a letter, and then supposed that rough draught was a complete copy, carelessly thrown aside. But it seems that, in the first place, this letter of resignation taken from the rough draught was included in my testimony in London, and republished here, and known generally. It seems that on the 19th of February, the Secretary of State communicated this correspondence, including that letter, and that it was at once printed and recommitted to the committee, upon motion, on the 25th of February. Mr. Lyon was examined as a witness on the 28th of February, some days afterward, and he, having access to the two letters, may have thought that he had found a "mare's nest," (to use a vulgar expression;) but, at any rate, he was able to point to the fact that there were two letters of resignation written, as though there had been something wrong. He had the material for so doing, whether he availed himself of it or not.

I want further to call attention to the fact that the difference that exists is not that kind of difference to which Mr. Lyon refers in his testimony. That will be left for the committee, however, to determine upon.

By Mr. SPRINGER:

Q. In the original draught, as presented here, you say: "And I beg also to record my earnest assurance to you and to them that in giving up this position I am controlled by considerations purely personal to myself, and that I continue to have the fullest confidence in the value and profitableness of the property they have in charge, in which I still hold all the shares I have been able to take."—A. Yes.

Q. The one sent to the company, however, was in this shape: "My resignation is upon grounds purely personal to myself"?—A. Leaving out the words "I beg to assure you."

Q. There are three sentences so completely reconstructed that it would

have been impossible to have copied from the draught whic
sented yesterday, the letter published in your testimony. No
Lyon said was this: that Mr. Park showed him a copy of a le
he had received, and which he had not yet sent to the compan
(Park) said he would get another one written. While Mr. Ly
dently confused in his testimony with regard to these lette
expression in his testimony, on page 14, shows that he had i
the very idea which expresses the difference:

I read the letter, to the effect that he did not want to give his political opportunity to criticise him. There were two letters written by him.

He says, then, that Mr. Park explained this by saying th
obtained a letter stating more particularly the grounds that
upon, so as not to affect the value of the shares of the company.
letter is more favorable to the company, from the fact that
that you did not want to give your political enemies a chance
you, and you, therefore, state more at length the personal
your action. At first you merely said it was a personal m
And yet by Mr. Lyon's testimony it would seem that that p
was omitted from the first letter.

Q. That is very true. But the fact to which I called you
was this: that there *were* two letters, or else he could not hav
impression in his mind in reference to the two letters at all.—
body could get that, having seen this evidence, and then test
three or four days afterward.

Q. The fact, though, was brought out by him, and not b
else, that there were two letters.—A. I know; and he had ac
testimony.

Q. You state that you did not send two letters to the com
Yes.

Q. His statement was that you had given them to Mr. Par
not yet delivered them to the company; that you first sul
Mr. Park a letter.—A. I have no recollection of anything of
I do not believe that anything of the kind took place. My
is that I gave Mr. Park the letter to carry to the board of dir
the letter was my own letter, written upon my own judgm
the execution of a purpose to resign from that company.
the reasons which are assigned, the witness has just reversed
that which was put into the letter actually placed on file he
if it were left out with an object; and then as to the other ch
took place, I shall not quite agree with Mr. Springer in th
there were three sentences materially changed. There is on
which is not in the other letter, but which seems to have bee
lated. In the other letter, however, the words "I beg to as
are left out, and it begins abruptly by saying that my resig
upon grounds purely personal to myself," instead of saying
assure," &c. I suppose I thought it was surplusage.

Q. It is a reconstruction?—A. It is a reconstruction, in c
the letter, by leaving off four or five words. But there is n
change. I submit the matter to the committee, however, an
determine for themselves. I had no access to the records of
Mining Company, I may say, at the time I gave my testimony,
upon this rough draught which I found. I have had nothing
the Emma Company's records since December, 1871.

In Mr. Lyon's testimony there was something said abou
declining in consequence of my going out of the company. I
member whether it declined, or went up or what it did. It w
down, but it was generally on the rise all through that time,

up to something like 30. But I am advised that I can introduce here, before the testimony is closed, a statement of the prices of the Emma stock all through that period, and that will enable the committee to judge better than from the mere recollection of either Mr. Lyon or myself.

Q. Did you communicate the fact of your resignation to the State Department on the 6th, the date on which you sent it in?—A. No; I sent it when it was published, and I got a printed copy of it.

Q. Why did you not immediately communicate this resignation to the State Department?—A. I did communicate the fact that I had resigned, but I did not send the copy of the resignation.

Q. I see that you wrote to Mr. Fish on the 12th of January, stating that "In the money article of the Times to-day you will find published my letter resigning the directorship on the 6th of December last." Was that the first communication you had made to the State Department of your resignation?—A. I think not, because I am sure that in some way or other it was known to Mr. Fish that I had complied with his request. I think I replied to him by private letter.

Q. I see on page 5 of your correspondence with the State Department, a letter signed by Mr. Fish, dated December 28; should not that be November 28?—A. That ought to be November 28. It is not a letter either; it is a telegram.

Q. I mean, is not the date improper?—A. That ought to be November 28. That is a telegram which I received the next morning.

Q. Then you had received Mr. Fish's telegram on November 28?—A. No; I never get a telegram in London once in a thousand times on the day on which it is sent. There is five hours' difference in the time.

Q. You probably received it on the 29th, then?—A. Yes. on the 29th of November.

Q. Why did you delay your resignation until the 6th of December?—A. I understood the first meeting would be held on the 6th of December. I went down and thought it was courteous to let these people know the conclusion I had come to, and so told them I would resign, and would send in my resignation in writing. That was on the 1st of December. I may have been prevented by some buiness at the legation; but I presume the letter of resignation was delayed mainly on account of the fact that there was no meeting.

Q. Was it this letter of the Secretary of State that induced you to send in your resignation?—A. I think that I should have done it without that. I think I had made up my mind that I would resign; but I naturally wanted to consult with the Department and let them see what was my view of this matter, and to draw from them some expression. That is what I meant when I said that I would do anything rather than embarrass the administration.

Q. Will you state whether you communicated the fact of your resignation to the Secretary of State previous to January 12?—A. I do not know certainly whether I did. My impression is that I must have done it by private letter. I think it was known.

Q. I see that the next dispatch in reference to this subject is dated January 12.—A. That was because I was able then to send him a printed copy, so that he might see the form in which I had done it.

By Mr. HEWITT:

Q. Did Mr. Park make any draught of this letter of resignation for you?—A. I do not think he did.

Q. Did you ever see, in Mr. Park's handwriting, a draught of a letter of resignation for you to send in?—A. I should think not. I think it very probable that *I told Mr. Park something* or other about the form in

which I meant to send my resignation in; but I have no rememb of his ever making a draught.

Q. Do you or do you not remember whether he drew a form fo to sign?—A. I do not. This, at any rate, is my own, the one tha sent.

Q. But are you quite positive that Mr. Park did not submit to draught of a letter of resignation?—A. No; I do not know that I ca that I am positive. I do not remember anything about that. I no doubt that I freely conferred with Mr. Park with reference t resignation, and in a general way told him what sort of a letter I to send in.

Q. The reason why I ask this question at this point is, that a tel has been received here, saying that the original drauhgt of your re tion is in the hands of the Emma Mining Company, and that it is handwriting of Mr. Park.—A. I doubt that very much. I do not whether they know his handwriting or mine.

Q. I, of course, should like to have it as clear as possible.—A. swer you as well as I can. I am not accustomed to get people to letters for me in that way.

Q. I can understand that; but in this particular matter I w know what the fact was.—A. I give you my belief on the subject

Q. Where were you at the time you received the telegram to you have testified, from Mr. Park, advising you that the dividend not be paid?—A. I was in Paris.

Q. What action did you take upon receiving this telegram?—A telegram which I received referring to my 500 shares? I was not to sell short, as suggested, but I wanted to save as much as I co those 500 shares. My second secretary of legation, (Colonel Che ough,) was in Paris on leave of absence for a few days at the sam and I asked him to go at once and see Jay Cooke, McCulloch & Co and ascertain if there was truth in all this, and whether the share going down, and to exercise his discretion as to the sale. He he some days. Some thought that they had better be sold, and some th not. Jay Cooke & Company did not know what to do, and the was that he finally did sell, and I am very glad he did, because was, I lost only £14 on a share, and I might have lost more h stock been retained longer.

Q. Did you telegraph him from Paris to sell any more shares the 500?—A. No, sir.

Q. You never sent a telegram to him instructing him to sell an than the 500 shares, nor even those?—A. No, sir; it was sugge me to sell some shares short, by way of covering my loss.

Q. Did you not send a telegram instructing him to sell 2,000 s —A. I am pretty confident I did not; if I did, it was not done.

Q. But the question is, whether you sent such a telegram?—A not think I did. I should have been glad had I done so.

Q. It is but fair for me to say to you that this telegram, whi been received here, also says that you sent a dispatch to Cheseb from Paris instructing him to sell 2,000 shares, and that it is in ence in London.—A. I doubt that very much. That comes from MacDougal?

Mr. HEWITT. That comes from MacDougal.

The dispatch is as follows:

(Received, Washington, March 27th.)

To the Chairman of the Foreign Affairs Committee, Washington:

In confirmation of Lyon's evidence, I have original draught of Schenck's *resignation* in Park's handwriting; and respecting operations, I have pr

Schenck received cablegram in Paris, 16th of December, 1872, from Park, advising sale on intended passing of dividend, and Schenck sent Cheseboro to London and telegraphed Cheseboro to sell 2,000 shares for him.

McDOUGAL,
Chairman Emma Mine.

The CHAIRMAN. Do you desire that that dispatch shall go upon the record before you answer it?

The WITNESS. No; I desire that you should get these proofs. I have stated that I received a telegram in Paris. I have stated that it was suggested to me that I might sell some stock short, but I did not do it; and I sent Colonel Cheseboro over to do the best he could to save me from further loss on these 500 shares. But I do not believe, indeed I feel quite confident that I did not act so far upon the suggestion to sell 2,000 shares as to telegraph Cheseboro on the subject of selling 2,000 shares. I would like to see the dispatch.

By Mr. SPRINGER:

Q. Did Senator Stewart say to you on or about the 1st of November that Jay Cooke, McCulloch & Co. had made a demand upon the proposed company, or the promoters of it, for a certain sum of money for the use of their name as connected with the trusteeship or the directory?—A. I do not remember anything of that kind. I understood that Puleston was doing something for the company, but not Jay Cooke, McCulloch & Co. Afterward it was said that Fahnestock came there, and they changed their arrangements; but what they were I do not know. I never heard of it until long afterward.

Q. Did you ever hear, before you became a director of the company, that Jay Cooke, McCulloch & Co. had a certain demand upon the promoters of this scheme for allowing their names to be connected with it?—A. I did not.

Q. You feel certain of that?—A. I feel quite certain of that.

Q. On page 115 of Mr. Stewart's testimony you will find this question by me to Mr. Stewart:

Q. You stated to him that a number of persons were trying get pulls on this mine?

A pull was explained to be, a little slice that everybody wanted to get in enterprises of that kind.

A. No, I think not. I stated this demand of Jay Cooke, McCulloch & Co., and we complained of it. That was entirely unadjusted at that time.

State whether that is true or not.—A. I have no remembrance of ever having heard that Jay Cooke, McCulloch & Co. made the demand. I heard some time afterward that Mr. Puleston had made some agreement for Jay Cooke, McCulloch & Co., and that Mr. Fahnestock was not satisfied; but what it was I do not know.

Q. Was that told you by Senator Stewart?—A. No, I think I got it from Mr. Park. I have no remembrance of any such conversation with Stewart. I will not contradict it.

Q. You stated in your testimony in London that you had no knowledge of anything of the kind.—A. I had not. And I repeat to you that I did not know anything about the promotion of this. I did not know Grant. I did not know who was their promoter. I did not know, indeed, at the time, to whom they had changed, when they changed from Coates to some one else. In fact, I did not know much about the way of putting these things on the market in London, not nearly so much as I have learned since.

Q. In your London testimony I find this statement:

I would explain that he (Park) may have handed in my written application, the five hundred shares that were allotted to you,] and attended to the business for me; but I carried them and disposed of them entirely on my own account and through my own means and arrangement.

Is that true?—A. Not my own means in that sense. Park did it for me, but Park had no interest in the matter.

Q. I will ask you whether it is true or not that Mr. Park drew the check upon Jay Cooke, McCulloch & Co. for the $25 a share which was to be paid down?—A. I suspect that he did, but I did not know it at the time.

Q. Where were you at that time?—A. I had gone over to Paris and left an application. I wanted very much to get some of those shares.

Q. You left an application behind?—A. Yes; and I left an application, I think, with Mr. Park, signed in the form prescribed in the circular. It was arranged for me, but in nobody's interest except my own. I made an application for five hundred and got three hundred, according to my remembrance.

Q. Did you pay three pounds a share or five?—A. I do not remember whether it was three or five; but I requested a gentleman to look after it for me and attend to it. About the time I came back to Paris I found that they had not allotted the five hundred that I wanted, but only three hundred. The shares were sold after a few days and I made then the profit spoken of, which was afterward sunk in the margin upon the five hundred.

Q. You say that Mr. Park furnished that money?—A. Mr. Park, I suppose, furnished the money.

Q. You never made any advances in regard to it until you sold the shares and received your portion of the profits?—A. No; I do not know how he carried them. I suppose he did it by putting up the money; I do not know. I do not know how many days they were carried, but not many.

Q. Do you know how soon these five hundred shares were to be paid for, by the terms of the application?—A. I do not, without reference to the circular.

Q. Did you attend at all to the business of looking after the application and the sale?—A. I did not. It was done for me altogether by another gentleman.

Q. Was it Mr. Park?—A. No.

Q. Who did it?—A. General Woodhull.

Q. Was he your secretary of legation?—A. Yes, sir.

Q. How long did you carry those shares?—A. I do not know; ten or twelve or thirteen days, and may be two weeks.

Q. How much profit did you realize upon the sale of them?—A. We made something like £2,000 on those shares—a little less than £2,000.

Q. Do you remember at what price you sold them?—A. No, I do not, but I think they cost twenty-three. You can make the calculation.

Q. You sold them at twenty-six or twenty-seven?—A. I did nothing about the sale of them except to sign a blank transfer of them.

Q. Did you not sell those shares at thirty pounds a share?—A. I think not.

Q. How much were the profits on them?—A. Two thousand pounds, or, I think, a trifle under or over.

Q. Was that the whole profit, or just your profit?—A. The whole profit on 300 shares. I know it was a short time afterward that we bought the 500, and this 500 cost us from 30 to 31. That is my recollection.

Q. I understand you, then, that you got the full benefit of the appreciation of those shares?—A. I did, with the gentleman who was associated with me. We got it together. We put it up as a margin on the 500 and it was wiped out.

Q. You got only one-half of this?—A. One-half only.

Q. You then made clear £1,000, or $5,000?—A. I made it clear, and had it at the time, and I am very sorry I did not keep it. I was very foolish to yield to the suggestion of others rather than to my own judgment; for I thought that was quite enough ever to pay.

Q. I would ask you whether that amount of $5,000 was ever paid over to you by Jay Cooke, McCulloch & Co., your bankers, and put to your credit?—A. I think it was.

Q. Or whether it passed to your credit for the purpose of covering your other losses?—A. I think it was passed over to Jay Cooke, McCulloch & Co., and put down as a margin. Nobody else had any interest in it except ourselves.

Q. I see in your London testimony, on page 17, the following:

Q. Individually did he (Park) have anything to do with it—with these shares?—A. Not at all. It was the only grain of comfort I had out of the Emma Mine.

A. I think that is a mistake of the stenographer or somebody. What I mean is, that he had no interest in it of any kind, and did not get any of the benefit of the profits.

Q. I will read to you the question:

Q. Did Mr. Park find the money for those shares?—A. He had nothing whatever to do with it. As a director he may have used his influence to get them allotted to me. I think he tried to get them to allot me 500.

A. I think I was mistaken there. I was in Paris at the time, but I think Park advanced whatever money was necessary. That is my impression now, and that they were carried some twelve or fourteen days. I should think less than two weeks.

Q. This attorney seems to have pressed you upon that point with a further question—

Q. Individually did he have anything to do with it?

Your answer is—

A. Not at all; it was the one grain of comfort that I had out of the Emma Mine that I sold those shares for three or four pounds more than I gave for them. If I got them at £23, I sold them at £26 or £27.

Q. You sold those shares to Fisher, did you not?—A. No; if they passed through Fisher, it was without my knowledge.

Q. They were transferred into his name?—A. I know nothing about that.

A. No; I did not sell them to Fisher, except in this way: I signed the transfer in blank, and left it to be disposed of. Fisher may have signed afterward, as the person who took the shares. Whether he did or not I did not know at that time, but my attention was afterward called to it by Mr. Turner, and I found that they had been signed in blank, and signed by Fisher afterward, so that he was nominally or apparently the purchaser of them.

Q. Did Fisher take these shares to the market or the bank?—A. I do not know. The truth is, I know very little about how it was done, because it was managed by another person.

Q. Who brought the money to you for the sale of these shares?—A. I think it must have been General Woodhull, although I do not know.

Q. Did not Mr. Fisher bring you the proceeds of the sale of these shares?—A. I think not.

Q. Did he report to you the price—£30—that they were quoted at on

the day when they were sold?—A. Not that I remember. If I said *they* were sold for three or four pounds more, I had in my mind, perhaps, a calculation upon five hundred shares, but this was three hundred shares. I know the aggregate profit better than the rate of profit. The aggregate profit was two thousand pounds, or a little over. I went over to Paris, and Mr. Bates (to whom, for his wife, I had transferred twenty-five shares of my original subscription, appearing as an original subscriber also for this distribution of stock) was exceedingly anxious to get some; and he sent over his application while I was there for fifty shares. They allotted him only twenty-five. There was a good deal of a run for those shares.

Q. It was quoted there at a high figure?—A. Yes; it was believed that the shares were going up, and that the company had made a very good arrangement with Park in getting the shares at twenty-three.

Q. Who was your broker, by whom this transaction was made for you?—A. I did not have any broker.

Q. Who carried the shares? Did you take these shares to your room with you, or were they kept in the bank?—A. O, no; I do not know whether it was done through a broker; I presume it was.

Q. Who did the business for you?—A. It was attended to by General Woodhull.

Q. Do you know in what bank he kept his account?—A. No; I think with Jay Cooke, McCulloch & Co.

Q. Did you have to pay any money of your own for the purpose of paying for these three hundred shares, or any portion of them?—A. No; I did not need to, the shares were all sold so quickly and rose so rapidly.

Q. They were purchased, then, with Mr. Park's check on Jay Cooke, McCulloch & Co. for you?—A. I do not know upon whom this check was made.

Q. Mr. Park's money, then, purchased these shares?—A. Yes; Mr. Park, I have since understood, carried these shares and arranged the thing during the three days we held them.

Q. When those were carried you do not know what broker sold them?—A. I do not.

Q. Do you know who brought you the proceeds of the sale?—A. I think it must have been brought to me by General Woodhull.

Q. That you realized in cash?—A. That we realized in cash; or it was placed there either to our joint credit or to the credit of one of us, and was divided. My impression is that it was a little more than £2,000. The two thousand pounds was the margin lodged with Jay Cooke, McCulloch & Co.

Q. For the two subsequent transactions?—A. For the five hundred shares that we unfortunately bought afterward at £30 and upward. That is the way that £2,000 was lost.

Q. I will call your attention again to page 17 of your evidence:

1. As regards my application made for an allotment to me, as an original shareholder, of five hundred shares of the subscription in the spring of 1872, and the allotment of three hundred shares, I have stated that Mr. Park had nothing individually to do with those shares. I would explain that he may have handed in my application and attended to the business for me. What I mean is that he had no interest in the shares allotted to me, but that I carried them and disposed of them entirely on my own account, and through my own means and arrangement.

It seems that you made this correction of your testimony the day afterward. Is that statement now correct?—A. It is a mistake about any means, except that I supposed the means were furnished by Park. *That is a mistake.* The truth is that I did not probably know much

ıt the three hundred shares except that I wanted to get some of e shares when distributed, and failing to get five hundred, only three hundred. It was a transaction of a few days, during part hich time I was in Paris, and very soon afterward, when I came ı, I found we had made a profit. I do not know who the brokers or how it was managed. I was called upon to sign a blank for transfer of the shares.

No accounts of the sale were rendered to you at all?—A. Not to

No banker ever presented you any account of sales, nor Mr. Woodhull do so?—A. He might have had an account of , and he may have shown it to me at the time; but nothing was left with me, except that we got this money and were foolish gh to lose it afterward by going into a speculation carried for us ay Cook, McCulloch & Company.

They were your bankers and brokers there at that time, if you had —A. No, I do not say they were brokers. I had no brokerage business . I think their habit is to get somebody outside to do it for them; do not know. I will say to you that I made this correction about , &c., from my recollection, since thinking the matter over. That sition of mine was taken in London, after an absence of a couple onths or so on the continent, on the day after my return; because told me the commission was about to close, and if I was going to y, I must come at once. I had no access to papers, no opportunity quiring, and no opportunity of refreshing my recollection, and I atisfied that upon that matter I was mistaken; not upon the point ark or anybody else having any interest, but with regard to the s and the carrying of the stocks. I did not even remember dis- ly then that I had been in Paris, or how long I had been in , or how I had arranged about it; but I am now satisfied I made an application and left it to be handed in, or sent in r. Park, and that it was for five hundred shares; that they did not me the five hundred shares which I wanted, although I was an nal subscriber for that amount, but gave me only three hundred, I think it was then carried along some few days, and that when I back an account was given to me of what we had made. I found ad made, according to my recollection, a little over, and may be a under, £2,000. The margin that we put up with Jay Cooke, ulloch & Co. for our subsequent operation, which proved so unfor- te, was an even £2,000. I believe I mentioned to you that I d of this tumble in the stocks, that the dividends were stopped, I got back as far as Paris, on my return from Italy. I introduced ter here the other day, which I wrote from Italy to Mr. Fish, when s traveling northward, coming back from my leave of absence, and as while I was in Paris, where I spent a week or two, that this very pected and disastrous news came; and what was then done was in the excitement to save myself from loss.

djourned.

WASHINGTON, *March* 31, 1876.

OBERT C. SCHENCK'S testimony continued.

he CHAIRMAN. If you desire to make any further statement, the mittee will hear you. After that, Mr. Faulkner will act as the rep-

resentative of the committee to propound any interrogatories whic committee may desire to put to you.

Mr. PHELPS, (of counsel for General Schenck.) Mr. Chairman, b the evidence proceeds, I desire to lay before the committee a pri statement which has been prepared for the use of the committee by Chittenden, one of the counsel. It will inform members of the c mittee of what we claim in regard to the history of this transaction.

Mr. CHITTENDEN, (of counsel.) It should also be said that that prepared before we knew what course this investigation would take, a in the absence of all the parties.

The WITNESS. Some gentlemen of the committee asked me, the ot day, when I made the last payment upon my house here in Washing I do not know how it connects itself with the Emma Mine matter, b have been searching, and have found my note to Mrs. Adams, and s other correspondence on the subject. I had explained that, in Nov ber, 1871, there was, as my contract with Mr. Park shows, still a for one portion of the purchase-money, the last five thousand doll the whole having been thirty-two thousand dollars; and that there no lien on it in 1874, when I had my settlement with Mr. Park, wh gave him a mortgage for $15,000, covering the $10,000 yet due. I is the last note. It is a note for $5,000, which I had assumed as pa the purchase-money. I put in evidence the note and check, and s correspondence in relation to the matter.

Kilbourn & Latta, Real Estate Brokers. Secured by deed of trust.

WASHINGTON, D. C., *Dec.* 1, 18

$5,000.

On or before July 1st, 1875, after date, I promise to pay to the ord Mrs. Mary C. Adams the sum of five thousand dollars, with interest, for v received, payable semi-annually.

ROBT. C. SCHENC

Payable at Riggs and Co.'s.

On the face of this note is the following indorsement:

"Paid in full."

On the back of the note are the following indorsements:

May 31st, 1870, int. paid to 1 June, 1870, one hundred & fifty ($150) dollars.

Dec. 9, '70, int. paid to Dec. 1st, '70, one hundred & fifty dolls.

May 18, '71, int. paid to 1 June, 1871, one hundred & fifty dolls., ($150.)

Dec. 14, '71, int. paid to 1 Decem., 1871, (by F. B. McGuire,) one hundred & dolls., ($150.)

May 28, '72, int. paid to 1 June, 1872, (by F. B. McGuire,) one hundred & fifty d ($150.)

June 11, '72, payment on ⅔ by check on New York, $5,000.

June 21, '72, int. paid to 11 June, 1872.

Pay to J. Q. Adams & C. F. Adams, trustees.

J. Q. ADAMS,
Executor of Mary C. Ada

OFFICE OF RIGGS & CO.,
Washington, D. C., December 26, 18

General ROB'T C. SCHENCK,
Minister from United States,
58 *Great Cumberland Place, Hyde Park, W. London:*

GENERAL: We have received your favor date 2nd inst., with check on Messrs. Cooke & Co., for one hundred and fifty dollars, to pay interest due 1st Januar your note for $5,000, held by us. The interest was due 1st December instant, and l ing that Mr. F. B. McGuire was attending to your business, we mentioned it to and he paid us the interest. We, therefore, have ndorsed your check over t *McGuire,* and handed it to him for your account.

our mistake in maturity of the interest, arises from the fact that your note is made ·able 1st July, 1875, but it is dated 1st December, 1869; interest payable semi-nually.

Yours, respectfully,

RIGGS & CO.

The payment made by Mr. McGuire, 14 Dec. inst., is indorsed on the note.

TUCKER MANUFACTURING CO.,
39 *and* 41 *Park Place, Tuesday.*

Messrs. LATIMER & CLEARY:

GENTLEMEN: I received a letter to-day from Gen'l Schenck, in which he says he has "sent to Riggs & Co. $5,000, to pay my note which they hold for Mrs. Adams."

I have paid the interest to June 1st. Will you please pay the interest now due, withdraw the note, cancel it, and direct to Gen'l R. C. Schenck, minister, London? Put this envelope in another, directed to R. S. Chew, State Dep't, and it will go in the dispatch-bag to Schenck.

Then employ a lawyer to draw a deed of release from Riggs & Latta to Schenck, and have it recorded, retaining the receipt of record for me, and I will pay all expenses, &c., on my return.

I do not like to give you so much trouble, but I know of no one else in Washington to whom I can trust it, and I may not return for some weeks, as I go to Northern New York for trout-fishing.

Yours, truly,

F. B. McGUIRE.

LONDON, *Dec.* 2, 1871.

Counter-check.

[Rev. stamp.]

JAY COOKE & CO., *Bankers,*
Washington:

Pay to Riggs & Co., or order, one hundred and fifty dollars.

ROB'T C. SCHENCK.

$150.

(Paid int. Dec. 14, '71.)

(Indorsed:) Pay F. B. McGuire, esq., or order.

RIGGS & CO.

OFFICE OF RIGGS & CO.,
Washington, D. C., 11 *June,* 1872.

Gen'l R. C. SCHENCK,
Legation of United States,
58 *Great Cumberland Place, Hyde Park, W. London:*

GENERAL: We have received your favor of 27th ulto., with your check for $5,000 on Messrs. Jay Cooke & Co., of New York, to be applied to payment of your note held by us for the executors of the late Mrs. Adams.

When Mr. McGuire calls to pay the interest, we will hand him the note canceled.

Yours, truly,

RIGGS & CO.

Q. (By Mr. FAULKNER.) You presented a written statement to the committee, on the morning of the 28th, before commencing your examination-in-chief?—A. I did.

Q. I desire to ask you whether that statement was prepared and draughted by you, and whether the allegations therein set forth are facts within your personal knowledge?—A. No; only so far as appears in the statement itself. The statement was draughted in part and submitted to me, and I made a number of changes in it. It was finally copied out and presented here. In that statement I allude not merely to my own connection with the mine, but (inasmuch as the committee have taken testimony of Lyon and others going into the whole history of the mine, its original development, &c., and as those were matters all within my personal knowledge but quite collateral to the question in which I was concerned) I desired that, the investigation having been begun on these points, it should be continued all the way through.

Q. Is it true, as therein stated, that the sale of the Emma Mine in London was fair, honest, and straightforward, without falsehood or fraud?—A. I suppose it to be. I will state now, in reply to the question, that all I knew of any testimony taken before this committee was a paragraph or two which appeared under the telegraphic head in the London newspapers, on the mornings of the 1st and 2d of this month; and upon seeing which I immediately published my purpose of going to Washington to appear in person. When I arrived, and saw in fuller detail, for the first time here, the testimony, so far as taken from James E. Lyon, I discovered that it did not seem to be at all confined to the direct question of my connection with the Emma Mine, but went into a general account of the origin of the Emma Mine, its history, its ownership, the interests that the witness had in it, the quarrels or difficulties that he had had with his co-partners, or attorneys, and their correspondence with him, and his with others, all apparently intended (for it could not have been introduced, I suppose, without an object) to bear upon the question, and collaterally, at least, if not directly, to affect me. I was advised that very much of all this history will be either contradicted or explained, or both, in its various parts, so as to throw a very different light upon the history of this transaction.

Q. So, then, do I understand you to say that that paper was draughted by yourself or by some other p rson?—A. I adopt it, of course, because, although draughted by counsel engaged in part in examining these things, he told me what their testimony would be and satisfied me upon these points. I revised it as rapidly as I could on the morning that I found I had to come before the committee and was likely to be examined; and I therefore do not throw the responsibility of it upon anybody else.

Q. Will you therefore answer my question: Is it true, as therein stated, that the sale of the Emma Mine in London was fair and honest and straightforward, without fault or without fraud?—A. I believe it was. I do not myself know anything except what I have already disclosed, of my own personal knowledge.

Q. Is it true, of your own personal knowledge, that the witnesses James E. Lyon and Hiram A. Johnson are men of infamous character, and unworthy of credit under oath?—A. No, I do not say that. I say that I deem it suitable for my complete vindication, and am prepared to lay before the committee proofs of that kind—unquestionable proofs. And I repeat, that there are witnesses ready to be offered in regard to the credit to which these witnesses are entitled. So far as my personal knowledge is concerned, I have no personal acquaintance with either of these gentlemen. I have no recollection of Mr. Lyon having seen me as he says and being introduced to me by Mr. Park. He says he came once as a messenger to bring a note from Mr. Park to my house. If he did so it led to no acquaintance. I do not contradict him upon either of these points; and I can only say that I have not the slightest recollection of any introduction to the man, or ever having met him. I was not able to recognize him when I first came into this room, but I believe I asked the chairman to point him out to me. I did not know whether he was a large or small man, or anything about him. Mr. Johnson speaks of having called to pay his respects to me at the legation; but I believe he does not claim any particular acquaintance. I did not remember that he ever had called.

Before I left London, indeed long before that, I had heard that Lyon was the man who was circulating a story about my having been paid for the use of my name in this mine—the general charge which is here against

:. I heard of him as the man who inspired Paffard's pamphlet, the merican gentleman to whom Paffard was supposed to refer for his inrmation. I heard of him as (with Davis and others) circulating the ory about my having gone to Sir Roundell Palmer to get him to ndon the case of his client, which has been made the subject of me explanation by me before. I heard of him generally in connecon with these statements in regard to myself, which I knew to be lse. Without going further into these details, except that this was formation which I had from various sources, I may further say that mediately after the proceedings of this committee began to be pubshed on those two days while I was yet in London, before I left to come to Vashington to appear before the committee, several gentlemen called pon me who told me that they had information about this man Lyon, that e was not a creditable man in any way whatever. One gentleman, Ir. Marix, I remember, told me that he knew of some very improper nd fraudulent connections that Lyon had with mining operations mewhere on the Pacific coast. I did not get any particulars from him. mmediately upon my arrival here, a letter came to the State Departent, and was turned over to me, from a very respectable gentleman in Milwaukee, saying that the members of the Board of Trade or the Chamer of Commerce of Milwaukee would furnish from their number, without ny difficulty, any number of gentlemen who would prove that Lyon 'as not a man to be credited in any statement he might make. I got a tter from the sheriff's office in Ogdensburgh, New York, stating to me at the man was born there, and his reputation for want of truth was bad that fifty witnesses could be obtained from the business-men long the principal streets of Ogdensburgh, if they were desired, to estify against him upon the question of his veracity. All these things nt together, without personal knowledge of my own, besides the inforation that I had from counsel and from those who had examined the ase, satisfied me that it was a case in which a part of the defense gainst the statements made by Lyon, and a part of the explanation of e reasons why he made them, would consist in showing that he was ot a man of credit. That is the reason I made the statement.

Q. For what purpose did you make this statement in giving your estimony? Was it to break down the credit of that witness, and order that it might go to the newspapers through the agent of the ssociated Press?—A. My object was to present the course of the exmination that I thought ought to be taken; that it should be just as road in the reply as it was in the attack, which had been permitted to e made against me here. Inasmuch as the testimony already taken ad been, a great part of it, only hearsay, (I do not know how much here is that is not hearsay in the testimony of these two first witnesses,) nd inasmuch as it wandered into the whole question of the relations etween himself (Lyon) and others, and their relations to each other, in onnection with the history of the mine, I thought that the defense ught to be just as broad as the charges. That was my object, and I hought it but fair. I think so still.

Q. Is it true, as stated in that paper before you, that the parties in ngland concerned in the purchase of the Emma Mine have never laimed that any fraud or imposition was practiced upon them?—A. hat is my understanding, sir. My understanding is that the difficulty n England did not spring out of any want of confidence on the part f those who purchased the mine, those who became owners of the tock, directors, and others, (though some of them may have made comlaints long afterward;) but that they were well satisfied, and that

the successive reports made by the English directors as they wer showed them all to be satisfied, and that the difficulties began s quently, by reason of the management of the mine in the han parties who had gained control of it, and particularly those who have the management of the mine, under the lead of a Mr. McDon there, who, I believe, had no interest in the mine at all until about t years ago, when he bought stock, as I understood, at a depreciated pri

Q. Is it true that you have sustained a large pecuniary loss in t purchase of the 500 shares of the Emma Silver-Mining stock that y purchased November 9, 1871, by subscription?—A. The original stoc I consider that I have suffered a very large pecuniary loss. I have plained the payments made in cash and by credits upon the note, an have stripped myself of stocks that were valuable to me, and u which I have depended, and am still depending in part, for the inco that I have, which is not much.

Q. Do you personally know one R. Ewing, a member of Parliam from Glasgow, who was for a short time a director in the Emma Mi —A. No, sir. I do not think I ever met Mr. Ewing.

Q. He was not one of the original directors?—A. Is he on the p pectus? I think not; if he is upon it, I must have been introduce him some time, but I never had any acquaintance with Mr. Ewing.

Q. Do you not know that he was a stockholder in the Emma Sil Mining Company, and that he became such at the original sale of shares?—A. I do not. I have never seen a list of the original st holders. I am inclined to think that I am one of the very few of original share-holders of the Emma Mine left. I still have my shares.

Q. Did you never read the report of the speech of Mr. Ewing, g rally published in the London journals, made at a regular meeting of Emma share-holders, at the Canon Street Fair, in 1873, in which charged the perpetration of a great fraud in the sale of the Em Mine?—A. I do not think I ever did. They used to have regular m ings, and there was a great deal of row and talk at them, but I ne went near one. I think my acquaintance with reports of those m ings has been principally confined to my having on one or two occasi where there were proceedings of which I thought Park ought to kn sent a copy. Once I remember having sent a copy of a paper to h but whether it contained a report of that meeting or some other, I not know.

Q. Did you never hold a conversation with Mr. Ewing about manner of the sale of this mine, in which he stated that the sale of mine was a great swindle and had ruined hundreds of honest peopl the United Kingdom?—A. I have no recollection of it. It is very po ble, if I know him, or have met him, that he may have talked with about it. If so, I did not admit that such was my opinion, beca while I was sometimes hardly able to tell what to think about whether it had been a good mine or not, my prevailing impres always was that if the mine was properly managed it would come yet all right, and a good property.

Q. Do you know a Mr. Henderson, of the large shipping firm of H derson Brothers, of Glasgow, who was an original stockholder in mining company?—A. I do not think I do. Just here I will say t in London, as in Washington and elsewhere, it has been a fact th have frequently been presented in some passing way to gentlemen, may have been introduced to them and had some conversation on s subject or other without afterward remembering it or them. But I

not remember that I had any acquaintance with a Mr. Henderson there. Where does he live?

Q. In Glasgow.

The WITNESS. Is he a member of Parliament?

Mr. FAULKNER. No, sir; my object in making this inquiry is, that there are men of very large interest in the Emma Mine, and it is in reference to the remark you made that it had not been complained of by any person whatever.

The WITNESS. You will remember my remark, that I am informed and understand that proof can be furnished to sustain these facts which I state. I have given my own statement in regard to my own connection.

Q. Will you state that no one of the original subscribers or shareholders in this company has ever complained to you personally, in London, that he had been robbed by the sale of that stock?—A. I do not remember that any one has particularly complained, except that this Mr. Paffard wrote and asked an explanation. I received three or four different letters from people asking me what I was going to do or what I thought. In my replies, I uniformly declined to advise any one whether to hold the stock or not. I said that I had made up my own mind to hold on to mine, but they must act for themselves. This was long after I had ceased to be a director or manager of the company, at least many months afterward, and through the second year.

Q. Was there any conversation between you and Mr. Park, at or shortly before the execution of the note for the ten thousand pounds, as to where and how the sum was to be paid?—A. How what was to be paid?

Q. As to where and how this £10,000 was to be paid?—A. No, sir; there was not, excepting this: Mr. Park told me that I might feel very sure if I bought stock of that kind that the stock would be always good, and he should consider it as a pledge, a sufficient security, with what he knew of me and my means besides from Mr. Stewart and others. Mr. Stewart, I believe, had talked with Mr. Park a good deal. Mr. Stewart and I lived in adjoining houses here in Washington for some time. Then our contract was made, and in the contract, in order to make Mr. Park as sure as I was able to make him that he would be eventually paid, I added, of my own accord, to him the further security of an engagement, if demanded, that I would execute a mortgage on my house in addition to the stock.

Q. Will you state precisely what this note was given for; who, if any, were present at its execution, and whether it was in fact delivered to the hands of Mr. Park on the day that it purports to have been executed?—A. It was made and delivered into the hands of Mr. Park on the day on which it purports to have been executed. I think there was nobody present but Mr. Park. I do not know whether Mr. Stewart was in and out of the room or not. I speak for myself only in that matter.

Q. And were the contracts and papers in evidence executed and interchanged at the same time?—A. They were.

Q. Will you now state precisely for what purpose that £10,000 note was executed?—A. Because Park promised to advance the money upon requirements as they should be made, in order that I might get five hundred shares of this stock; engaging that, if it was not furnished to me by allotment, he would furnish me that much out of the stock he held. I think the language of the contract itself will show that there was that alternative view of it. I was to obtain by allotment, if I could, five hundred shares in the ordinary way, or else Mr. Park was to

turn over to me that number of shares out of the stock he held. It was a consummation of the bargain as to the amount that I was to take.

Q. This paper signed by you to Park, and the other signed by Park to you, are, as I understand, the originals—the papers that you laid before us?—A. They are the originals.

Q. Will you explain why they were not stamped with the revenue-stamp of the British government?—A. I cannot in any other way than I did the other day to Mr. Hewitt. I never thought about it, and I do not know whether Park did or not. We were two Americans dealing together, and I had no doubt but that I would myself pay whatever I undertook to pay. The same thing has occurred to me in two or three other instances. I did not mean to defraud the British government, if it was payable to them, nor the revenue here at home,

Q. Do you not know and did you not know that no note or contract made in the course of commercial business can have a legal inception in Great Britain without having the proper revenue-stamp thereto affixed?—A. I do not know precisely what the British law is upon that subject. I think a stamp is required. Whether the absence of the stamp invalidates the whole contract or not, or whether it may be afterward added upon the payment of some penalty or without a penalty, I do not know; but I know that stamps are required in Great Britain, as they are or were at that time here. I think our own stamp-act was still in force then. I suppose that only applies to the note. I do not know that the other contracts would require stamps.

Q. Do you not know that the papers, having been made in London without the use of the government stamps, were made in violation of the revenue laws, and were therefore void in law?—A. No. That is a legal question which you can answer as well as myself. I do not know whether they are void or only voidable; but I think they are either void or voidable.

Q. Did Mr. Park inform you at the time of the execution and the delivery of these papers when the Emma Silver Mining Company (limited) would be organized, or that in fact such a company would ever be created or organized?—A. O, he felt very sure that there would be a company organized. When we first began to talk about it, they were in treaty, as I now remember on recalling all the facts, with a Mr. Coates, and I have since understood with somebody else. That negotiation had not succeeded, but they were going on with an attempt at another organization, and thought they had brought their matters to a final arrangement, and that they would make up the company. I was not told anything about the manner of the organization or the circumstances under which they were going to effect it, except that whenever they were prepared, a prospectus would be issued by whomsoever was helping them in the promotion of the mine; and the application was afterward made to me, as I have already stated, that I would consent to become a director. But I had no particulars as to how the organization was to be completed, or any other than the general assurance that they had now virtually effected their sale; in other words, that it was a matter that was to go on, and would go on; and that if I could not get shares allotted to me upon a regular application made in the company, Mr. Park would see at any rate that I had five hundred shares, if I would buy from him under these circumstances.

Q. If he informed you that a company was soon to be organized, did he not state to you how he proposed to effect such organization?—A.

ll, through some parties with whom he was dealing in the city, by sale.

Q. Did he not go into details with you as to the mode or manner in ich he proposed to effect the organization of this company?—A. He d not any further than this: that a company was to be formed—an nglish company—which would become the purchaser, he and Mr. ewart representing the venders or the owners of the mine, and of hich, perhaps, they owned the principal interest themselves; and that pon the organization of that company, which was now an assured ing, the stock would be put upon the market. He gave me a general ea what the mine would do, and what the amount of the stock would ; but there was no prospectus shown me; there was none out yet, as understood. He only assured me that it was a sure thing, in which wanted me to go.

Q. Did he not indicate the individuals through whose influence he pected to accomplish a result so important as that?—A. He did not, y further than this, that there was talk to some extent of Jay Cooke, cCulloch & Co. being the bankers, or something of that kind. I did t know any broker or promoter in the city. I did not know, and ould not have known, who they were had they been mentioned to me. y reliance was upon Mr. Park and upon Mr. Stewart, and upon the lue of the property which they told me of, and my concern was incipally; as I have already explained, an investigation, from all that as laid before me, of the value of the property as exhibited by these oofs of its working, its profits, and its sales. In this investigation I ent several days or parts of days or evenings; although it was not e first paper which was presented to me, but it was the report of Prosor Silliman, which had the most effect upon my mind.

Q. Was not Park, as you then understood, comparatively a stranger London, depending altogether upon the co-operation of others to aid m in creating such a company?—A. No. I think he knew a great deal ore about the business of London—tenfold more—than I did. He emed to be often going to the city and returning, and to be engaged out his business there. I do not know how long he had been there at e time. I think, perhaps, some months. He was with Mr. Stewart, d they were concerned together in this matter, and I suppose had inductions of some kind and access to business men.

Q. Did he, to your knowledge, have an office in London, or a place for e transaction of business?—A. I do not know. I should not say an fice. I think he transacted his business somewhere down town, perhaps the bank of Jay Cooke, McCulloch & Co., but I could not tell you. I ow he was a gentleman who went to and from the city continually d regularly, where I seldom or never went.

Q. Do you know whether Mr. Park, at that time, had any office in the y of London?—A. I have answered that. I think he had a place wn in the city somewhere to which he resorted. When I first saw m or met him, and for some time afterward, he was living at Miss Edrds's hotel, the Royal Cambridge Hotel, on Hanover Square, where ey had a *suite* of rooms. I think the first time I met him he had a ge room, which Mr. Evarts wanted for his family perhaps, and which s eventually given up to them, and that Mr. Stewart, for a time, had family at the same hotel. But, for the most part, when I saw him d Stewart, I saw them in a large sitting-room which they seemed to cupy together. He was afterward in lodgings in Albemarle street, ere I saw him frequently, because it was directly on my way from y house to the legation, and I often stopped in.

Q. Was he there in the character of a stranger or a visitor, or had he a permanent place of business or office for the transaction of affairs?—A. I can tell you nothing more than I have told you about that. He had some place, I suppose, where he did his business regularly, down in the city; where it was I do not know. I never have had the curiosity to this day to inquire. What is called the city in London, as you are probably aware, Mr. Faulkner, is entirely distinct from the West End, or that part which is occupied by residences. So much so that they have about as much to do with each other as Washington and Wall street, except that they are nearer together, and, therefore, more accessible. He went to and from the city, and seemed to be busy about his affairs.

Q. Did he in his conversations with you explain to you the basis of the proposed organization of his company, and the difficulties that beset him in carrying that scheme into execution?—A. Well, he did not talk much about difficulties, for before I contracted with him, he seemed to think that all difficulties would be removed, and that they were certainly going to have an organization. He told me, in a general way, the outline of it, so far as the amount of capital and value of the shares, and how much five hundred shares would cost.

Q. Did he make any mention to you of the expenditure of money that would be involved in organizing such a company as that which he then proposed to organize?—A. Yes, sir; he stated it was going to cost him considerable to get his mine upon the market; but he went into no particulars with me. The truth is, I did not concern myself about it. My object was to get a good investment in a good property out of which I could derive a little addition to my income.

Q. Did he not inform you that he proposed to create a company with capital stock fixed at £1,000,000 sterling, to be divided into fifty thousand shares, and a par value of £20 a share?—A. I think he stated the amount of the stock. I would have never gone into it without knowing something of the proportion which five hundred or any other given number of shares would bear to the whole number issued, and their value to the whole value. That, at least, must have been stated to me.

Q. Did he not, in his conversations with you, mention the fact that he meant to offer twenty-five thousand shares, or one-half of the capital stock, for sale to the public, reserving to himself, William N. Stewart, and H. H. Baxter, as vendors, the other half, as soon as the company should be organized?—A. One thing which gave me more confidence in the company was that I understood that the vendors did not mean to part with the whole of the stock, but to put only one-half upon the market, reserving the other half. That was stated to me as one fact, among others, to satisfy me that the property was a safe one to invest in. I thought if the vendors themselves had so much confidence in the mine as not to propose to sell more than one-half of the shares, that that was greater security to those who were going in.

Q. Did not Mr. Park inform you that he should demand £500,000 for the twenty-five thousand shares proposed to be sold?—A. I do not remember that particularly, but I dare say he may have told me that; at any rate it was to be put in, and I think I must have known the amount of the capital, and that one-half was to be reserved and the other half to be put upon the market.

Q. Did Mr. Park inform you, about the 1st day of November, 1871, what disposition he and his associate vendors proposed to make of the *reserved* shares?—A. He did not.

Q. I understand you to have stated that you purchased five hundred shares of Mr. Park, in consideration of which you gave him your note?—A. That is the way that the explanation is given, as I understand it. I was to become an owner of five hundred shares, and if they were not allotted to me upon a distribution of the shares, Mr. Park could make up to me that number.

Q. At the time of the approval, or at the time you made your contract with Mr. Parks, as I understand, the company had not yet been organized?—A. No; not organized so as to be launched. They were only sure that they would be able to go on. They had not, as I understood, yet made up their board of directors. They had not done anything except to get the assurance from the parties they were dealing with, whoever they were, that the mine would be taken and put upon the market, and that the organization would be provided for and completed afterward.

Q. At the date of your contract with Park had he any assurance whatsoever that any company could be organized?—A. I understood from him that it would be certain to go on. I felt no doubt about that from the assurances I had from him. I would not have gone into the matter otherwise.

Q. Had any arrangement at that time been made with Albert Grant, the promoter?—A. I do not know.

Q. Then you are not able to state, from your own knowledge, whether any arrangement had been made on the 1st day of November by which the organization of that company could be secured?—A. I had the fullest assurances from both Park and Stewart that they had completed their arrangements, and that the organization was assured. But as to the details, I was not made acquainted with them, and I did not feel concerned about them.

Q. Did you subsequently apply for five hundred shares on the books of the Emma Silver Mining Company when the company was organized?—A. Yes.

Q. This, as I understand it, was a contract with Park?—A. Yes, as I understood it. It was put in as a formal application for shares of the Emma Mining Company.

Q. When those shares were put upon the market?—A. Afterward, when the company was organized and opened, then the question was how I should get my shares. I was entitled to get five hundred shares under my contract with Park, and those I would have, either by allotment, or Park would transfer them to me. But he preferred, apparently from the beginning, (and my action was in accordance with that wish,) that I should make my application as other shareholders did, and he to furnish the money which he had agreed to do, on account of the note which I had given to him.

Q. Do you recall at what time your application was laid before the board, in order that it might be ascertained whether you could get five hundred shares?—A. No; I do not. Mr. Park attended to all that for me. I think the prospectus was issued on the 7th or 9th of November; the 9th, I think; and I should suppose that after that, probably at an early meeting of the directors, I signed, as I recall now, whatever paper was necessary to make an application for shares, and I had shares allotted to me, and the shares were paid for with money furnished by Mr. Park, from time to time, as the requisitions were made upon me. He, completing in that way his undertaking with me, sold me that number of shares. My recollection is not that Mr. Park turned over to me so many shares of his own, but that I *got* them in that way by allotment,

and that he executed the contract upon his part in that way; that is, fulfilled his obligations and furnished me that much money.

Q. Were the shares which you applied for and purchased from the Emma Silver Mining Company, the same five hundred shares covered by your contract and your note to Park dated February 1, 1871?—A. They were.

Q. And did you make this subscription to the company's shares, or this purchase of them, pursuant to your contract?—A. Yes, sir; the five hundred shares that I obtained on my original subscription were in consequence of my contract with Park, and were these shares that were intended in that contract. I do not now speak of the application made for five hundred afterward, upon which an allotment of three hundred was made, but of my original five hundred shares, of which I still hold four hundred and seventy-five.

Q. If it was a fact that on November 1, 1871, Park and his associates were to reserve to themselves one-half of the shares of this company, will you explain to the committee why you agreed with Park that when the company was to be organized you were to apply to the company for the purchase of 500 shares of its stock, instead of receiving the shares direct from Mr. Park?—A. Well, for the simple reason that I wanted to get the 500 shares, and it was immaterial to me which way I got them, but he seemed to prefer that there should be no subscription of shares that would interfere with his reservation of those that he had. It was only an alternative promise that if I did not get the allotment upon my application for the shares for which he would furnish me money, that he would make up to me the number of shares out of his own.

Q. If it was immaterial to you, General Schenck, whether you fulfilled your contract with Mr. Park from his reserve or from that which he threw upon the market, was it a matter immaterial to Mr. Park, the vendor, whether you should take it as one of the shareholders, in open market, or take it from his reserve fund?—A. I suppose he preferred to keep intact a number of shares that he intended to reserve. That would have been my understanding if I thought of it at the time, as I dare say I did. He wanted to reserve shares.

Q. Had he not a stronger motive for that preference than what you have indicated?—A. I am sure I do not know, sir; I cannot state what Mr. Park's motive may have been.

Q. Had he not the obvious motive of having your subscription as the American minister to this stock to be known by those who were also buying shares from that portion which is in the market?—A. It is very possible that that might have entered into his mind. But it has nothing to do with my contract with him, nor did I think of it. I think the language of the contract covers all that.

Q. The object of the inquiry is to ascertain what would be the difference manifestly to the vendors of the stock between your appearing in the market as one of the purchasers of the stock and with all the influence which that fact would have upon the market and upon the public mind of the people of London, and his selling you privately 500 shares in pursuance of that contract from his reserved stock?—A. I cannot say that; Park might have preferred it in that way—that I should appear to be a subscriber. And yet my understanding always was that, no matter how I got my shares, upon the organization of the company I would receive a certificate for so many shares, and would therefore, be understood to appear among the original shareholders.

Q. Was that a matter understood between you and Mr. Park the

you were to appear among the original shareholders?—A. No, sir; there was nothing said about my being upon a list of shareholders or anything else. There was no motive of that kind held out to me. My whole examination in this matter was with the view of satisfying myself that it was a good investment, and that I could raise the money to go into it, and I was thinking, I confess, perhaps selfishly of myself, a great deal more than I was of Mr. Park or Mr. Stewart, or anybody else that might be concerned in the matter; I was endeavoring to make a good bargain, under the favorable auspices that was offered to me.

Q. When did you make your application to the Emma Silver Mining Company for five hundred shares of this stock? State whether it was not on the morning of the first day the stock was offered for public subscription in the city of London?—A. I do not know. I do not recollect on what day. I suspect it must have been one of the earlier applications, because I had my contract of Park, and expected that an effort would be made to secure stock for me early, at once, or else that he would turn the stock over to me. I do not know when the stock was put upon the market; I do not know the day. I do not know when the subscription was first opened, but I am pretty certain that I must have been one of those whose applications were put in early, because of this previous arrangement that I had made with the vendor, Mr. Park. I do not even know in what shape this application was. It is so long a time since I have looked at any of the papers connected with the matter that I cannot say whether there was a printed or written form of application required; I think most likely it was a printed one that I signed; but whether Mr. Park brought it to me or sent it to me, I cannot say.

Q. Do you know how long the books were open for subscription?—A. I do not. Not many days, I think. I guess the stock was taken up pretty rapidly. It was a very popular thing at the time.

Q. Did you affix your name to papers appertaining to the organization of this company prior to November 9, 1871?—A. Affix my name in what way?

Q. To any papers touching the future organization of this company?—A. I think not. I do not know on what day I assented to the proposition that I should become a director, but I know it was after the 3d of November, because I find that on the 3d Mr. Stewart was still trying to satisfy me in regard to the character and position of the gentlemen who were likely to be directors, with whom I would be associated, and it was very important for me to know that. I do not know upon what day I finally concluded to permit my name to be used at all, but it was sometime between that and the 9th, because on the 9th the prospectus, I think, was issued. I think it was dated on the 9th.

Q. Did you not apply for shares before the 9th of November, 1871, to be issued when the company should be organized?—A. It is very possible. I do not know. I expected certainly to get my shares from the time I made my contract with Mr. Park. And whatever paper was necessary to be signed, or whatever was necessary to be done to get those shares, I necessarily did. I had made up my mind to get shares if I could, and had arranged to have them. But I do not speak as knowing either one way or the other, for I have no recollection about the dates.

Q. Will you state whether you did not affix your name to a paper applying for shares in the Emma Silver Mining Company as soon as the same should be organized, dated before the 1st day of November, 1871?—A. No, sir. I am very certain that I never affixed my name to anything before the 1st of November, assuming that I was to have five

hundred shares, because until that time I did not know that I woul complete my contract.

Q. Did you not, before the 1st day of November, 1871, subscribe f shares to qualify you to become a director when the company should organized?—A. O, no; that could not have been. Certainly not.

Q. Did you not subscribe your name to a paper to aid in the orga ization of the company, which bore date on the 30th day of October, 18 in which you were named as one of the persons to become directors that company?—A. No, sir.

Q. State, if you know, what induced Park to give his personal gu antee of 2 per cent. per month dividends.—A. I do not know what duced him. I know that his assurance that they would be able to m dividends of that amount upon stock was one of the inducements to to go into the company. I was thinking rather of the inducement to than anything else.

Q. Did he not give you this guarantee to induce you to subscribe the 500 shares, that your action in that behalf might induce others subscribe, and thus enable him to sell his stock?—A. He disclosed such motive to me, nor did I impute to him any motive of that kind. was concerned in making a good bargain for myself, and I cannot tes to the motives of Mr. Park.

Q. Did you not then suspect, and do you not now believe, that P desired to secure your name as a subscriber to the shares of the Em Silver Mining Company, because you were then minister of the Uni States at the Court of Saint James?—A. I would answer that quest in this way: I have no doubt, and I must have thought at the ti that Mr. Park was very anxious to interest me or any respectable An ican, and especially any American in position, in this ownership of mine, or of the shares of the mine when it was put upon the mark but it did not then enter upon my mind that that was a very great sideration of Park, any further than it would have been with any ot American, that he would have the same interest in engaging any ot American or any other gentleman who was a respectable and pro person to be invited into an organization of the kind. It was not a tive with me at the time; I did not think about it much as a mo with Park.

Q. Would your name have subserved the object of Mr. Park in sale of the shares, had you then been in London as a mere private i vidual?—A. No; looking back upon it now I should think it would

Q. Do you now regard your act in subscribing for the shares after contract was made, by which Park was to pay your subscription *bona fide*?—A. I do. I have nothing to regret about the matter, ex that I think I made a mistake (I have always said that, and came pr early to the conclusion) in permitting my name to be connected with management of the company. And when I became satisfied of th got out of it as soon as I could.

Q. What was the lowest price that the shares reached in the Lon market in the months of January and February, 1872?—A. I do know.

Q. Did they not sell as low as £14 per share in the months of uary and February, 1872?—A. I do not know when it was that I rid of that purchase of the shares that were carried by Jay Co McCulloch & Co., but they were bought at something like 30 o average, and the loss was something like £14 a share. That w make it something like sixteen.

Q. You will perceive that this was very shortly after the organiz

of the company that I am now speaking of. I only speak of the months of January and February, 1872, which was shortly after the organization of the company?—A. I do not know. They were up and down and down and up, and I still held on, because I thought that a company which could divide one and one-half per cent. per month must be a valuable company and a valuable property.

Q. If the fact be, or should prove to be, that shares were selling in January and February as low as £14 per share, would such decline, or did such decline occasion any uneasiness in your mind as a shareholder of the stock?—A. I dare say I was very sorry to see them go down, and might have felt uneasy; but I always had the assurance that shares which were drawing one and one-half per cent. in a valuable mine like this, must eventually go up. And the best evidence of my belief on the subject was that I was willing to encounter the risk when they got up as high as twenty-three, and I was permitted to do so, of taking some at that point. I have forgotten what month it was when that distribution was made.

Mr. JOHNSON, (a previous witness.) April.

The WITNESS. April; and I afterward consented though very reluctantly, to go into an operation with them at thirty.

Q. Assuming it to be the fact that shares of this company had got down in January and February, 1872, as low as £14 a share, why did you not then tender the five hundred shares to Mr. Park, and demand par value for them under the provisions of your contract with him?—A. If I did not, it was because I was satisfied that they were going up. That tender was made by Park to me, but not until about the time that he was going away to the United States. In further reply to that question, I can only repeat that I had, from the representations made to me as to the investments I had made, the fullest confidence in this property all through that time, when it was fluctuating; and I felt the more confirmed when afterward it did go up very considerably. And down to December, 1872, when the disastrous change took place, I always gloried in the fact that I had made the investment and held on to it, and thus made myself much easier in position.

Q. I understood you to state in your testimony that you made this as a permanent investment?—A. That was my object, sir.

Q. If you regarded the purchase as a permanent investment, why did you take a contract from Park that he should take the shares at any time at par, at your option, within a year?—A. He offered me that as a further assurance of his belief and confidence in the value of the property. The main effect of the contract was to assure me, "You can feel safe in taking these shares, because if you were to become dissatisfied with them, I will take them off your hand at par, but if I offer to do so and you decline, then of course I get rid of my guarantee." These were the inducements held out to me, which I thought favorable terms upon which to make my purchase.

Q. You, of course, read the prospectus which you issued as one of the directors. Did you believe all the statements contained in it?—A. I did. When I read this prospectus, about the time it was first published, (I had nothing to do with its publication or with framing and getting it up,) I read it with the fresh recollection upon my mind of all the papers that I had examined, and I found that according to my recollection of those papers, and the impression they made upon me, the prospectus represented what I had been satisfied were the facts in relation to the mine. And to the statements of the prospectus in regard to the quantities of ore, surveys, measurement, analysis, &c., of course I

relied on Professor Silliman's report for their corroboration. I had read that report again and again with considerable care before I ever agreed to take the shares.

Q. Was it your understanding of the contract between Park and yourself that the dividends to be guaranteed to you under that contract should not be in excess of the future net earnings of the company, or beyond what other share-holders were to have?—A. I do not think there was anything said about that. The contract was made in the light of and with reference to what I was assured the company would be able at once to divide; and that for a year at least they would divide, as was stated to me, 2 per cent. I did not expect anything else than what other share-holders got. I never did get anything except what other shareholders got. But I did expect that, the dividends being either 1½ per cent., as it was afterward decided they should be, or 2 per cent., it would be a very valuable stock to me to invest in, and it was an inducement to me to make the investment that I was thus assured of such dividends.

Q. Was that guarantee asked for by you or was it tendered to you by Park?—A. I do not know whether I asked him to put it down in the contract, or whether he volunteered to do it. It was in pursuance of the understanding between us. I think I must have preferred to have it in the contract myself, and probably therefore spoke of it.

Q. Assuming, then, that you had yourself asked for this guarantee as you now state you probably did, was it proper that you should accept private terms of subscription to a public sale of shares, that were withheld from others, made by a company of which you were a director?—A. Well, I feel that I did nothing wrong in the contract which I made at the time with Mr. Park. I was buying from him rather as an individual; though he was to provide the means by which I was to be supplied with the shares. I was not conscious, nor am I now conscious, of having acted improperly in making such a contract with Mr. Park.

Q. Did you not assume, by the act of subscribing for these shares, that you were applying for stock exactly upon the terms on which yourself and your associate directors had offered it to the public, and that you were thereby investing your own private funds upon the basis of the terms that had been announced to the public?—A. Unquestionably I did, and unquestionably I knew that one of the conditions held out in the prospectus was that the subscribers should receive one and one-half per cent. per month as their dividends. I was aware of the fact that Park might at any time put an end to that guarantee by offering to take back my shares at the par value, and I felt pretty secure, therefore.

Q. Did you not carefully conceal the existence of your private investment with Park from all persons connected with you in this company?—A. I neither carefully concealed it nor did I publish it to the world. I treated it as any other private contract made with an individual from whom I might have purchased property. The first time that it ever became necessary in the opinion of anybody to inquire about the matter, by taking my testimony, I at once produced the contract and showed what it was.

Q. Did the fact ever become known in any way in England, that is at the time you were subscribing and were a director, that you had these private terms with Mr. Park?—A. I do not suppose it did.

Q. Will you state why there were no subscribing witnesses to the contract between Park and yourself?—A. I do not know any particular reason. I do not think half the contracts that I make have subscribing witnesses. I am not in the habit (I do not know how it is about Mr.

Park's habits) of asking for subscribing witnesses for ordinary contracts or agreements exchanged, but I rely upon the autograph of the parties dealing with each other, unless it be the conveyance of real estate or something where by law witnesses are required.

Q. Were Trenor W. Park, William M. Stewart, H. H. Baxter, and yourself the American directors upon the board of this company, and will you answer whether you did not intend that the language of your letter of resignation, dated December 6, 1871, in which you state: "I desire to express to my associates in the management of this company my sincere and high appreciation of each and every one of them as gentlemen of distinguished position and character, with whom it has been to me a pleasure to be connected"—did you not in those remarks refer particularly to your American associates above named?—A. No, sir; quite the reverse. I do not mean any disrespect to them when I say quite the reverse, but there was no one of these American directors who was present at any of the meetings, and with whom I had acted, except Mr. Park. I do not know whether Mr. Stewart ever attended a meeting of the directors. He probably did attend some earlier meetings when I was not present. Mr. Baxter I never saw in my life, and one reason particularly urged upon me why I should consent to be a director was that Stewart was going home, and Park would go home after a while, as he did during the following summer or spring, and that there was, in fact, nobody there to represent the American interest, unless I or some one else should consent to become a director and represent this interest. The gentlemen with whom I was associated were almost exclusively Englishmen, I think entirely with the exception of Park. And, although I had not known either of these gentlemen before, yet I learned to appreciate them in the sort of intimacy into which we were thrown by meeting together a few times, and I have continued my acquaintance with the most of them since. They were Mr. Brydges-Williams, a very nice gentleman indeed, Mr. Pemberton, and Mr. Anderson, and I rather liked the whole of them. They were, in my mind, very much more than any American at the time I wrote the letter.

Q. I think I understood you to say yesterday that at that period you had very little acquaintance with any of these English directors?—A. Before that. I did not know any of them until I met them as directors. I do not think I had ever seen either of them. When they were named to me, therefore, I made inquiries as to their character and position, and everything about them, and have had the most favorable accounts of these gentlemen. And when I came to know them subsequently, and ever since, my impression was confirmed, and I have been pleased with the acquaintance.

Q. Has your high appreciation of those gentlemen been confirmed with regard to Mr. Willyams, the member of Parliament?—A. Mr. Bridges-Willyams? Yes, sir. I found him a very pleasant, gentlemanly man. I have not seen anything of him for the last year or two.

Q. I am not speaking of his being pleasant and agreeable, but is he recognized in England as a man of integrity and high character?—A. I think he is. I never have heard the reverse.

Q. Is it not a fact known to you that he accepted from this company £5,000 before he made that visit of his from England to the silver-mine?—A. £5,000 as a bonus, or fee, for doing so?

Q. Well, money paid to him. That appears by the records of the company.—A. I have heard that he was paid for his services for going to Utah.

Q. And paid also for making that report which he subsequently made to the Emma Silver Mining Company?—A. No. That would imply that I knew that he was bribed to make a report. Now, I do not believe anything of the kind, and I never heard it put in that way, except that, among the various charges made against the original directors and others, (of which the air has been rife and full lately, and I think we know where most of them have proceeded from,) I have heard that, among others, Brydges-Willyams was said to have been bribed to make that report. I never heard that until this litigation, which began in New York, and upon which testimony was taken; that is, within the last year or so. I knew nothing about it at the time.

Q. Your remarks, that I have just quoted, may not have been intended by you to apply particularly to the American directors; but was it not the effect of a certificate of character before the London public of Trenor W. Park?—A. I do not know that it would apply particularly to the American directors. I think that any one who read that letter would naturally inquire, "Who are these people that have been managing the affairs of this company in London?" and that it would be supposed to generally embrace all of them. I felt it, and wrote it in good faith, because I had had a very pleasant acquaintance with these gentlemen, and had esteemed them in all that I had seen of them during the very brief period that we were associated together, and I have kept up my acquaintance with some of them since.

Q. Can you now state, with any certainty, whether you did not write two letters of resignation, the first being informal, written for observation and approval of Park, and the second one being the one in evidence, which was adopted, and finally submitted to the company?—A. No; I do not believe that that is true. I have no doubt that I told Park what I was going to write. I may have shown him what I was writing, and he may have copied my letter after it was written. I do not know that—I doubt it very much indeed; but the letter was my own, and I am perfectly satisfied, on looking back upon it, since my attention was attracted to the discrepancy, that I account for it correctly when I say that in making up my rough draught and writing out afterward, I interlined and enlarged so as to cover a point or statement that occurred to me.

Q. Can you tell how many days elapsed, after writing the resignation, before it was either placed in the hands of the chairman or lodged in the office of the company?—A. I do not know that. My impression is that I gave it immediately. I should think on the 6th, the day of its date.

Q. Can you tell on what day you ceased to be a director of that company, so far as the records of that company can avouch that fact?—A. No, I cannot. I have been trying to find the amount of a check that was brought to me some week or two or three afterward, thinking that I might infer from that the length of time that I was director. They pay for the services. That I did not know at the time I went in as a director. I was a little astonished to know that I was entitled to pay after I had been director, but I have no remembrance at all of the amount. I think it was at the rate of five hundred a year, and yet I am not sure that was it.

Q. How did you pay for the 300 shares allotted on your subscription to the vender's shares made on the 6th of April, 1872?—A. They were paid for by Mr. Park. Mr. Park very kindly took care of them for me during the ten, twelve, or fifteen days before they were sold, which I supposed he could easily do. I do not know.

Q. How many days prior to the 6th of April did you leave London *for Paris*?—A. I do not remember. When this matter was brought

my attention I had forgotten that I had been in Paris at that I was not there long; it was a short visit, and it is possible that the application back from Paris, but I think not. I think the · had been issued, and notice given to the shareholders that the ·ould be opened for subscription, to be applied for by the original ›lders, before I went to Paris, and that I must have left my tion; but it was just about the time of my going to Paris, if that › case.

›id you request Mr. Park to fill up the application and present it proper time?—A. I do not know whether he filled it up or not; s I remember pretty distinctly: the application was not for 300 but for 500. I wanted to take more if I could, but they only l me 300. And when I went over to Paris, my friend Mr. Bates t he would try to get more of the stock, and applied, as I recol- r 50 shares, but only got 25 allotted. I think I wrote a letter to sking him to do the best he could to get Mr. Bates the allotment full extent for which he applied.

an you state whether or not Mr. Lyon received this application Ir. Park with his check for £2,500, with directions to cash the and fill the application and pay the money in for you?—A. I remember anything about that. I did not know that Mr. Lyon › agent or the messenger for Mr. Park on that or any other occa- ›t even when he says he brought a note from Park to me.

›id you ever read while in London the dispatch signed by Will- Silliman, and Hussey, published in London by a singular coinci- ›n the morning of the day on which 8,500 shares were offered for ·A. I do not remember that I ever did. I handed in a bundle of rs the other day, being all I could find. I wish to call your atten- them again. There was more literature in that company than company I was ever connected with before. I do not know but ; is the English habit, but we received every month with our war- r dividends, and very often in the intervals, circulars giving any ıtion which had been received by the directors of the company; :now other shareholders received those circulars.

›o you know what effect that dispatch had upon the price of at that time in the London market?—A. I do not; I have no rec- n. I know that the shares went up and down all through that nd that they were very often most favorably affected by the re- ıade successively by those Englishmen who went to examine the I know that I held on to my shares with much greater satisfac- ıd continued my interest in the company as a shareholder, be- t seemed as if Mr. Brydges, Willyams, Mr. Anderson, the chair- nd Mr. Stanley, who went out to the mine and returned, seemed vith one another in giving a better and better account of the About the same time (I cannot tell when) there was published ıued to the shareholders a supplemental report, made by Pro- Silliman after a further visitation of the mine. That was another hich encouraged me to believe that I had a very good invest-

Vill you state whether those 300 shares of yours sold were not £30 per share by Cyrus M. Fisher, and that he reported the › Mr. Park, as testified to by Mr. Lyon?—A. I do not know.

Iave you seen any account of the sales of these shares?—A. No, the sales. I do not think I have ever seen any account of them. he gross sum, the profit.

Iow long have you known Cyrus M. Fisher, and where?—A. I

knew him first in London in 1869, and I never knew him anywhere, I believe, except in London. I saw him again when I went there as minister.

Q. Did you not tell Mr. Park, after his arrival in London, that you wished he would give Fisher a chance to make some money out of the shares to enable him to pay you, as testified by Lyon?—A. No, sir.

Q. Did you receive any money from Park that he had collected from Fisher on your account, or did Fisher pay you any money that he said he had made from dealings in Emma shares?—A. No, sir; the only money that I got in any way, and the only credit that I got, came through Mr. Gager. I got it in the shape of a credit upon that note, as has been explained heretofore. But with whom the operations were I do not know. I do not know the particulars of the operations.

Q. Did you not meet Mr. Fisher frequently at Mr. Park's rooms?—A. At his hotel? I do not recollect that I ever met him. I may have met him occasionally after Mr. Park went to Albemarle street.

Q. When, if you know, were the allotments made upon the original shares of stock?—A. The original subscription?

Q. Yes, the original subscription.—A. I do not know. I do not think the books were opened many days.

Q. Were you present with the directors when the allotments were made on the original subscription?—A. No, sir; my recollection is that I was not.

Q. You were then a director, I believe?—A. I was on the list of directors from the 9th of November, but either on account of absence from town, or something else, I do not appear to have ever attended the meetings of the board until they began their more serious business, in taking care of the interests of the company. I gave the dates the other day, when I had them fresh in my mind, and referred to a memorandum. I stated that I attended two meetings in November and one on the 1st of December. I did not often go down into the city, and I think that the occasion of my attending one or two of those meetings was that I had to go down to meet Mr. Anderson and Mr. Puleston, the other trustees. We were two or three days before we would agree that the certificates of title furnished by the solicitors of the company were satisfactory to us, so as to pass the property. My recollection is that Mr. Park became uneasy, because the money was not turned over to the vendors, which he, perhaps, was to receive when that was all certified to and settled. I do not know what it was, but there was some reason why they urged us to be satisfied upon that point as soon as we could, and that took me two or three times, I think, down in the city to the meetings, which were in Mr. Puleston's office, the office of Jay Cooke, McCulloch & Co., where Mr. Anderson and I met him. But I started the objections myself to the certificates of title, and I wanted to be satisfied, as we were finally; and it was not until the supplementary reports upon the title from Mr. Evarts had been received by telegraph, as I recollect, that we would agree that our functions as trustees ceased. The trustees were not to do anything in the world except to turn over the property when the solicitors said it was time to do so; but we took that control over the solicitors, that we wanted to be satisfied.

Q. Do you remember whether the original subscription for the 25,000 shares exceeded the amount of the shares that were to be allotted?—A. I do not know; but I have an impression (I may confound two things together) either that there were a good many more subscribed for than the number opened for subscription to the public at that time, or else

ıat there was an excess of subscription at the time that these 8,500 ıares were put upon the market. But upon one or both of those oc-ıssions my impression is that the subscriptions considerably exceeded ıe number of shares issued.

Q. Assuming, then, that the subscription exceeded the amount of shares hat were in the market, how was it that you suffered no abatement?—ı. That is for the directors to say, or those who awarded the shares to ıe. I was anxious to get my 500, and was very glad that they had al-owed me the whole. There may have been some favoritism on the part f the directors in that. I do not know whether there was or not. They lid not treat me so well in the application that I made subsequently or 500 shares, for they only allowed me 300.

By Mr. HEWITT:

Q. You got more than your share, then. They issued one-third of the ıew stock, and your one-third would have been 160 shares?—A. Very vell. I think I tried very hard to get Mr. Bates's application allowed.

By Mr. FAULKNER:

Q. Referring to the prospectus, you will observe the following lan-guage:

The directors have, however, reserved to themelves the largest amount of liberty in the selection of allotees, and of the number of shares to be allotted to each person, their lesire being to place the shares in the hands of *bona-fide* investors.

I would inquire whether you, as one of the directors, suggested that this provision should be incorporated in the prospectus?—A. O, no, sir. I did not help to get up the prospectus.

Q. Did you ever see or hear it read before it was published?—A. Not, I think, until it was in print, but I think it was about the time that t was published, about the 9th, and may be had some interlineations or corrections of words when I first saw it. I do not know. At any rate I knew about the time it was published. I did not have any instru-nentality in getting it up at all, that is in the publication of it; but I should, of course, have been satisfied without having seen it before it went out to the public, if it represented substantially the facts.

Q. Do you think the proprietors would have treated you as a *bona-fide* investor under the terms of that prospectus if they had known the private arrangements existing between yourself and Mr. Park?—A. I do not know any reason why they should not. I do not think it was anything to them at all. I do not think it was a matter that they had any concern with.

Q. Is it a matter of no concern, in public subscriptions of this kind, that there should be private arrangements made between particular shareholders?—A. O, well, this private arrangement was made with a man who was there, the vendor, the owner of the property, who wanted to do a liberal thing with me. I wanted to make the best bar-gain that I could out of him, and I got all the advantages, in making that bargain, of assurance in regard to the value of the property that I was buying, but it in no way affected or injured, or could have injured, others, who subscribed and got their dividends in the ordinary way, and I never got any further dividends than they did.

Q. Still, did not good faith require that, in a public auction or bid-ding of this kind, every one coming in as a bidder should stand upon an equality with the rest as to the terms of bidding?—A. Yes; that is a true proposition, but, so far as Mr. Park and I were concerned, the guarantee of the amount that it would be was made with the view of

inducing me to take the property as a valuable property, as betwe him and myself in our contract.

Q. I will ask you this question: whether, in purchasing those shar from the company, as you were then dealing, not with Mr. Park b with the Emma Mining Company, the other shareholders had not right to know of any private arrangement existing between you an the venders of the stock?—A. No; I do not think so. I think, M Faulkner, that if you wished me to buy a piece of land that you we interested in selling, or desired to see sold, and you were to give n your assurance that I could sell that land a ta particular price, or th it would bring certain rents, and I should come forward, upon yo assurances, and have your guarantee that that would be the case, a make the purchase, I would not be bound to disclose to those fr whom I purchased the land that I had had such assurances outsi from you, and that that had been one of my inducements to come f ward and purchase.

Q. Do you know how many shares of stock stood in the name Trenor W. Park and William M. Stewart upon the books of the co pany?—A. No; I do not. I always understood that the venders ha from the start, reserved one-half; but afterward Park transferred to t company, or opened for subscription, those eight thousand and odd, a he was subsequently, as I always understood, dealing in the shares. do not know whether he now owns any shares or not, or how long it since he ceased to own them, if he has ceased.

Q. Can you state whether either of them had more than twenty-fi shares appearing on the books of the company?—A. I do not kno but I should be very much surprised to hear that was the case, becau my impression has always been different. I do not know anythi about it.

Q. Will you give the exact language of the dispatch of Park to y to sell the Emma shares, that future dividends would not be paid, well as you can now remember?—A. No; I cannot. That dispat came to London; and it was forwarded to me at Paris. It was of especial value, because it seemed, at the same time, that pretty mu everybody in London was informed, in some way or other—those w were intimate with the Emma Mining Company—that there was goi to be a failure of dividends, either that month or the next, or perha the next succeeding month, and it was of little or no use to me; a yet I was so astounded to think that there was a likelihood now of s greater falling in my five hundred shares, that I sent Colonel Che borough, one of my secretaries, immediately over to London. He was t more interested in it, because it was his cousin who was interested w me in the matter.

Q. Can you state the date of that dispatch?—A. No; I cannot.

Q. Can you state the price of Emma shares in the London mar when that dispatch arrived?—A. No; I cannot. I knew at the ti But with the shares being carried their value was still considerably un the price that we paid for the shares. The substance of the dispatch w a suggestion to me that I had better sell out. I do not know whether th was anything said distinctly about the dividend being passed, but th was something that impressed me with the idea that the dividend wo not be paid, (perhaps it was distinctly stated,) and advising that, help myself out of my trouble, I could sell short some number, perha 2,000 shares. I did not sell short, and would not sell short. I had h enough of buying and selling, and my 475 shares I did not mean to s *I always* held on to those, sink or swim. I made up my mind to th

long ago; but the 500 shares I was very anxious to get rid of, and I was very much astounded and distressed, for I could not very well afford my loss, and it was with a view of selling those 500 shares, as soon as possible and upon the best possible terms, that I sent over to London. I had to remain in Paris for some days longer with my family. I think when my friend arrived in London that they were somewhere about 18—this is a general recollection—and they got to be 17 or 16, 16½ or 17, perhaps; rallied a little. Some, I think, said that if the dividends were not paid that month, they had got to the lowest point, and it would be paid the month afterward, and we did not know very well what to do. Col. Chesebrough consulted with Mr. Puleston and Jay Cooke, McCulloch & Co., and they were always interested in selling the shares at the best possible rate they could for me. But finally I gave Colonel Cheseborough commission to do the best he could for me to get me a out of this scrape, and he sold them out.

Q. To what stock did Park refer when he requested you to sell Emma? —A. I do not know. I suppose he referred to those 500 shares.

Q. Did he, in that dispatch, direct you to sell 2,000 short in the London market?—A. He suggested that, I think, in the dispatch, and, as I understood it, as a means of retrieving myself in the loss that I would have on what I was now compelled to sell. He must have thought that it would go lower still.

Q. Do you know whether he complied with the suggestion of Mr. Park?—A. I do not.

Q. You telegraphed to London to sell?—A. I did not, and my belief is that I never telegraphed to Cheseborough, although this dispatch yesterday states that I did. Certainly, in his discretion, he did not do it, and my impression was very decided. I did not for a moment think of selling short.

Q. Your statement now is positive, unqualified, that you sent no such dispatch from Paris to London?—A. I do not believe I did. My recollection is altogether different. I thought at the time that I had enough to do with the speculation, and the best thing for me would be to let it alone. I wish I had sold 2,000 short at that time, because, as it afterward turned out, it would have saved me this loss.

Q. Do you know whether Park telegraphed to any one else in London that the dividends would not be paid?—A. I do not. I have understood that he did—either he or Mr. Gager, who had been acting for him—but whether it is true or not I do not know. I have never made any inquiry about it. Somehow or other, the impression seemed to be general that the company was embarrassed and the stock falling rapidly at that time. I believed then, as a great many others did, that after a while the stock would rally and that we should have our dividends again; but after a month or two I gave that up.

Q. Do you think it would have been right and proper on your part to have telegraphed to London to sell 2,000 shares, with a view to make a profit at that time in the stock of this company?—A. I do.

Q. Do you think it would have been all right?—A. I do not see any reason why I should not have done so. I was not a manager of the company—I was acting in no fiduciary relation to the company—I was a shareholder, and, unfortunately, not only an original shareholder, but one who had bought other shares on which I found I was likely to lose considerable, and I wanted to get out of it; and I wish I had telegraphed and sold 2,000 short at that time.

Q. I mean to say, in view of your position there as an American minister, and with the connection that you had had with this company in its

origin, do you think that you could reconcile it with a sense of official or private duty to have made that speculation in stock at that time upon the information of Trenor W. Park?—A. Well, that is a question of ethics more than anything else. I had been, a year and more before that time, a manager of the company for four weeks. The whole world knew that I was no longer a manager of the company. My friends around me (for I made no concealment of it) knew that I had bought some of the stock in addition to my original shares. I made no secret of it to my bankers and others. I wanted to save myself when the stock was getting down, and having information that the stock was getting down, I should not have felt at the time that I was doing anything that was wrong to the public or anybody else to have saved myself by an operation in the stock which would have made one hand wash the other. I do not know that I am less proud and sensitive of the proprieties in such matters than others, and I do not think that I am, but I am sorry I did not do it.

Q. Did you regard this information, that the dividends would cease from the date of that dispatch, as reliable information upon which you were to act?—A. Well, I did not know. I supposed that Park probably knew, being over on this side, what the condition of the mine was, or what was likely to be done, and it frightened me. I can say that, and therefore I must have thought that in some sense it was reliable; but I found that everybody else was informed in the same way, and that it was no good for me to know it at the time that I did.

Q. Where was that dispatch dated?—A. I do not know; New York, I suspect.

Q. Was it not from Salt Lake, directly from an examination into the condition of the mine?—A. I do not know; it escaped my observation if it was. I think it was from New York. It came to London, and was sent by mail from London to me.

Q. But it had its original date of Salt Lake, or whatever other place it came from?—A. Well, I should be surprised to find it was from Salt Lake, because if it was I have forgotten it. I did not know that Park was at Salt Lake at that time; I did not know anything about his movements.

Q. How long was it after this dispatch was received before the company passed the usual monthly dividend?—A. There, again, I think I cannot answer you with positiveness, because there were thirteen dividends in thirteen months, and I do not remember whether the first dividend was on the 1st of December, 1871, or not. If it was, then there must have been a dividend made in January. No, two December dividends—there were thirteen in all. This must have been in the month of December, I think, and therefore it was the dividend of that month. That must have been the first one that was passed. I do not remember the dates.

Q. Did you publish this dispatch in London, or otherwise inform your associate shareholders that no more dividends would be paid?—A. No; I was not in London until some time afterward, and it was better known when I got to London than it had been even to myself. The directors issued some circulars, (which are among those that I gave the committee,) expressing their regret that the dividend would have to be passed, and I was informed, like others, about that. I do not think I knew it positively until I got my information from the directors.

Q. Was not Mr. Park, at the date of that dispatch, a director, supervising the management of the mine?—A. I do not remember whether he was or not. I do not know when Park ceased to be a director. He

has never been back in England, that I remember, since April or May, May I think it was, 1872.

Q. You say that at the date of that dispatch you would have felt yourself at liberty to speculate to your own private profit, in operations in the stock of that company. Did you not, at that time, feel that you were somewhat responsible for the subscriptions to the stock of the company that had been made by the British public, you having become a director?—A. Well, I think not. My own serious belief is that the people who went into that mine, and the people who held on to that mine all through that first year, placed very much less reliance upon whether I was or was not a director than upon the fact that here were proofs coming in from Salt Lake City continually, in the reports of English directors and others, that the richness of the mine had never yet been fully stated. And they continued to buy and sell and buy and sell, and I think at that time my connection had been pretty much forgotten by them all—I mean my connection with the mine as manager. I was only director for four weeks, and whatever influence it may have had at the beginning, (which is a matter of argument and inference,) I think that at that time it had very little influence whatever.

Q. Is it not an admitted fact that the stock of the company fell in the London market when it became known that you had resigned your position as director?—A. I do not know that it did. My attention was never directed to that fact, if it did. If it did fall, it was under these circumstances: It was generally known in London from the 6th day of December, and perhaps from the 1st day of December, for I made no concealment whatever of my purpose to resign. It was known that I had resigned. Mr. Anderson's letter, published in the Times on the 12th of January, shows that it was known. But persons who were then bearing the stock and fighting those who were interested, were circulating all sorts of reports, and among these reports was one that the Emma Mine was good for nothing, because General Schenck had abandoned it as a director, had found that it was a bad thing and was not a rich mine, and had left it. It was to correct that impression that Mr. Anderson made his publication. If the stock fell about that time, and if the fall of the stock was in any way connected with my resignation, it was not in consequence of the resignation itself, but of the misinterpretation, or misconstruction and misrepresentation I may say, of the character of that resignation. But, as I said before, I have no recollection of the stock, as being up or down, at any particular date.

Q. How many shares did you order sold from Paris when this dispatch arrived there, and how did you give the order and how many of these shares were actually sold, and at what price?—A. I directed to be sold out positively, (not in a dispatch that I know of, but to Colonel Cheseborough,) all the stocks which Jay Cooke, McCulloch & Co. were carrying for us, which was 500 shares, I think. It is said that I directed 2,000 shares to be sold short. I do not remember that; I do not believe that I did at all, because my judgment was at the time against any more speculation, as I did not know how it would turn out.

Q. Why did you not then sell the shares that you subscribed for on the 9th November, 1871?—A. There are a number of reasons for that. The two principal are these: My 475 shares were my original subscription. I have always believed, and I believe yet, that that mine is a valuable property. I was disposed to keep the stock, as I had got into it up to my ears or as deep as I could, and to keep it as I would a ticket in a lottery, believing that ultimately it would be better than a ticket in a lottery; that it would draw a prize. Another reason was that after this

criticism upon my conduct I said to myself, "If anybody says that induced him to come into this boat, he shall see that I sink or swim in the boat too, and though I may buy and sell some other shares, I will not part with my original shares." I do not know whether you will understand a motive of that kind, but I think you can. I made up my mind to stand by those shares, whether they went up or went down, and I do not think I will sell them now.

Q. Did you not know that Park had advanced to the company the money to pay the two last dividends, when you received that dispatch?—A. I did not. That is a matter, like many others, that I heard nothing about until long afterward. I may say just here, that after this litigation commenced in the circuit court of the United States, Mr. Turner, I think, one of the solicitors, told me that he thought that they would be able to prove, as against Park, a great many things of that kind, which were then new to me, and unknown to me, as I stated in my deposition. He principally spoke of a letter of which he said they had either the original or a certified copy, in which Mr. Stewart, at some time in the history of this mine, was represented as having said that it was a played-out or exhausted mine or something of that kind. That is the first thing of that sort I ever heard.

Q. You have since learned as a fact, I suppose, that he paid those dividends?—A. I do not know it now—no, not at all. I do not know how the dividends were paid. The circulars are the circulars which were issued to the shareholders from time to time by the directors. I was not a director and never went near them. I only knew what was going on from the circulars, and in those circulars they told us what dividends were coming from month to month, and they sent out the warrants for the dividends. Up to the time the crash came our information was that the mine was doing very well. It had a cave in June, got filled with water, seemed to recover, and from that went on and made dividends afterward. The stock, which had gone down, went up again.

Q. Will you explain to the committee what disposition had been made of the large reserves of cash and valuable minerals particularly mentioned and described in the prospectus at the time Mr. Park sent this dispatch to you?—A. I do not know.

Q. Will you explain why it is that in your testimony in London, taken upon that occasion, you stated that you sold three hundred shares which had been purchased at twenty-three pounds, for twenty-six or twenty-seven pounds per share, when, as the fact now appears, you actually sold those shares at thirty pounds?—A. I will tell you why I think I stated it. I did not mean to disguise anything, because I told how much I got. The one corrects the other. I perhaps had in my mind the fact that I applied for five hundred shares, and made in my mind a calculation upon those five hundred. My object was to show how it was that I made a profit of some two thousand pounds. I have not differed at any time in regard to the profits which I made. Two thousand pounds upon five hundred shares would be at the rate of about four pounds a share, whereas upon three hundred shares it would be at the rate of six or seven pounds per share. The mistake arose, I suppose, from the method of calculation.

Q. In your examination in London you stated your indebtedness to Park to be only twelve or thirteen thousand dollars.—A. That was upon that mortgage.

Q. Do you now reiterate that statement of your indebtedness to Park as correct?—A. Yes, in this way: He holds $35,000 in his hands

may or may not be able to redeem, or may lose altogether. . If t redeem them it is a clear loss, and if I do redeem them it is a ss, as I have to pay the amount. I was not speaking of my in- ıess to Park; I was speaking of my remaining and original in- ıess, arising out of all this thing. I considered that I had vith him by transferring $32,000 worth of stock, and $3,000 in ın the 13th day of May, 1874. I had given him a mortgage for more, on which I had paid $5,000, which was the first note hat mortgage.

'AULKNER. We have heard all this.

VITNESS. Yes; and in order to pay it I had my bankers ad- ıe, what I have about made up to them since, I believe, some two d dollars or more; and that, together with the outstanding notes nortgage to Park, and two or three thousand dollars that I was with my banker, made an indebtedness of twelve or thirteen ıd. It is all explained there, except that I was not asked and did lain at that time what it had troubled me still more to do, the ad- t on the 13th of May, by the turning over of the $35,000. I am hat is gone, for I do not know that I shall be able to redeem the though I shall try to. I want to get back all my stocks if I can.

id I understand you to say that you received full dividends for ı months upon your shares of stock?—A. I think it was exactly ı months. O, not on the five hundred; no.

Vell, upon four hundred and seventy-five shares?—A. Yes; I l on five hundred for either one or two months, but I think only ıth.

'ere dividends declared by the company in favor of other share- except upon their payments of installments, as required by the y?—A. Fully-paid-up stock received fully-paid-up dividends, I ı. I do not know that there was any difference. I think all the as fully paid.

ɔur impression is, then, that your stock had been fully paid up t, so as to entitle you to full dividends upon stock for that thir- ınths?—A. Unquestionably. Mine was fully-paid-up stock. I held a certificate, and upon that I got my 1½ per cent. every ıpon five hundred shares, for either one or two months, and after the end of the thirteen months, on the four hundred and seven- ıhares, the four-hundred-and-seventy-five share certificate being o me on my surrender of the five-hundred-share certificate.

'hen were those five hundred shares issued or allotted to you on iginal subscription?—A. I do not remember the date. But I know, as I said before, how long the books remained open; but otted me five hundred shares, and I took out a certificate.

o you know whether it was before the 1st day of December, -A. I do not know the date of the certificate. Perhaps my cer- here may refer back to the original certificate; if so, it will fix ɛ.

IOHNSTON, (a previous witness.) That was a re-issue, General, I

VITNESS. In this way: I surrendered the original certificate in) get two certificates, one in Mrs. Bates's name, of twenty-five and four hundred and seventy-five in my own name. But this l the 31st day of January, 1872. It is for original shares—the ndred and seventy-five—after deducting the twenty-five. But, had a certificate issued to me, perhaps, a month before that, me in December, for the whole five hundred which I surrendered.

In further answer, I will say, Mr. Faulkner, that I do not kno
those original certificates were issued, but I should infer that th
probably issued in December, soon after the subscriptions were
as soon, probably, as they could do it after they were paid up. I
to have sold the Bates shares, or agreed to transfer them, on the
of January.

Q. I understand you, then, that Mr. Park did not pay for thos
that he bought for you in installments according to the terms a
the other shareholders?—A. I think he did. I think that is t
it was.

Q. How could you have received full dividends upon you
stock of four hundred and seventy-five shares, then?—A. Becau
were permitted by the terms of the prospectus to make the pa
faster than the time required, and he may not have made them
the order in which they were provided for upon the prospectus,
began by paying the first installment, as I think, and sent the
in. I think he probably gave me a certificate—a receipt from tl
which was the receiver of the money. Then he afterward made a
perhaps, and may have paid two or three installments at a time

Q. I remember the prospectus distinctly announces to all t
scribers that all their dividends will only be upon the actual
paid in?—A. Precisely. I am not sure about my getting 1½ p
for the first month. I got at the rate of 1½ per cent. upon whate
paid in. But I am equally sure that my stock was fully paid
rapidly, and either according to the terms upon the prospe
sooner, but not all paid in at one time in a lump, because I re
having had a receipt given to me for the first, to show that the
money was paid for which my note was given; and I rememb
there was another time when Mr. Puleston attended to the p
but whether Mr. Puleston attended to the second or third payn
the last payment, or whether there were more than two payn
cannot tell. It was rapidly paid up, however, and I got 1½ per c
whatever time it was. I think it must have all been done in J
and that I got my warrant for the whole of January.

Q. Do you remember, that, according to the terms of that pros
there was an unusual pressure, so to speak, or at least an arran
was made as to getting from the shareholders, at the earliest
moment, the amount of money which they subscribed for their
ive shares—that is, that the payments were required to be made
They were not only to be made rapidly, but upon certain con
that is to say, no dividends were to be declared except upon tha
was actually paid, and I think a preference was to be given,
terms of the prospectus, to those who would advance the whole
money?—A. They would still get their 1½ per cent. from the ti
had advanced it.

Q. No; but I mean a preference in the allotment of the sha
to be given to those who would advance the entire money du
their respective shares?—A. I have not seen the prospectus fo
while.

Q. I am not sufficiently acquainted with such operations t
whether that was an unusual pressure upon shareholders to d
their money as early as possible or not.—A. Nor I. It is the on
don mining company in which I ever had any interest, and I
know what are the general conditions and terms of these things.

Q. "In the allotment of shares, a prior consideration will b
to persons who desire to pay up their shares in full on allotmen

investment?"—A. Very well; if that be so, probably mine were paid up pretty rapidly, because I was put upon the best footing that Park could put me upon, I know.

Q. Then you think the payment was probably not made in installments, but at once by Park?—A. No, I think it was made in installments; but what I mean is this: I do not know in how many installments it was paid.

Mr. JOHNSON, (a previous witness.) They run to February 15, I think.

The WITNESS. Well, I think probably there was paid for me whatever was required at the time of subscription, because at sometime at the beginning there was given to me some memorandum, (which I have not now,) which, perhaps, was in the shape of a receipt surrendered perhaps, when I got my certificate. Subsequently, and at an early day, the whole of it may have been paid in in a lump to put me on the best footing. I think likely that was the case. I only remember two occasions upon which payments were made.

Q. In the early part of the examination which I made, I called your attention to the language which you used in regard to Mr. Lyon and Mr. Johnson, in declaring them men of infamous character, and not to be believed upon oath; and when I asked you whether that statement of yours was based upon any personal knowledge, your reply extended alone to Mr. Lyon. You took no notice of the remark as it applied to Mr. Johnson. Is it upon your personal knowledge of the history and character of Mr. Johnson that you have pronounced in this manner that he is a man of infamous character and not worthy of belief upon oath?—A. No. So far as Mr. Johnson is concerned, that is stated very generally upon information that proofs will be furnished to that effect. I will only say that my impression as to Mr. Johnson's truth is very unfavorable, (if you want my personal information,) because he has woven very cunningly a story there, untruthful in all the fair inferences to be drawn from it, which I know to be an intimation of a great deal that is false in regard to myself and my connection with this matter, and so far I may be said to speak of my own personal knowledge. But my information has not come from various quarters to the same extent in regard to him that it has in regard to Mr. Lyon. I must say this also, just here, that a great deal of this testimony which has been given, the most of it by both Johnson and Lyon, (although having the same effect in conveying what I know to be false with regard to my conduct and my connection with this matter, as being a fraudulent one in any way or sense whatever,) is of a hearsay character. Now I cannot tell what Park said to Mr. Johnson or to Mr. Lyon.

Mr. JOHNSON (a previous witness.) He never said anything to me, sir.

The WITNESS. Well, or what Mr. Stewart said. But I was amazed at two things: First, at the general statement which imputed to me a fraudulent connection with this enterprise; and, secondly, at the character of it, and surprised to know that it had been received, being, as it was, almost entirely of a hearsay character. I was, for instance, to be condemned so far as public opinion was concerned, by what Mr. Lyon never had heard me say, but what Mr. Stewart had told Mr. Lyon, I being the person whose conduct here was being investigated. So in regard to all of Johnson's testimony. If you will look as a lawyer through those two depositions, I think you will be struck with the fact that there was all possible mischief done by the representations which were made; and yet through a great part of it, while the mischief was evidently intended, and the false impressions sought to be made in

regard to the fact, it was done by cunning narrative, which persons might perhaps creep out of by saying "it is not an issue with General Schenck at all, but what somebody else told me."

Mr. FAULKNER. You are aware, General, that in all these committees of investigation, so far as the inquiry is concerned, we are bound in a great degree to accept hearsay evidence. Now, in regard to Mr. Lyon, as well as I recollect, he made no statement touching you as of his own knowledge. All his statements were based upon what Park and Stewart had told him, and you have had the full opportunity of vindicating yourself.

The WITNESS. Mr. Lyon in London and in the United States, in affidavits probably as well as otherwise, has been endeavoring to prove, so far as he could, my fraudulent connection with this matter, and conferring with such men as Paffard, and such men as those who gather their information for the New York Tribune, and other vehicles of that kind; and yet when I come to look at his testimony, while all the blackening of character and all the mischief is done, so far as he can do them, when I come to analyze it, I find that it is founded upon hearsay, and upon inference. A great deal of his testimony is inference. What is not hearsay is inference, and what is not inference is hearsay.

Q. I want to know whether the five hundred shares on which you received your dividends were the five hundred allotted to you by the Emma Mining Company upon your original subscription.—A. Yes, sir, five hundred originally, then 475; and as long as there were dividends made, I got my dividend upon those shares.

Q. Have you ever seen any circular or paper publish d by Mr. Johnson, while he was in London with you, casting the slightest reflection upon you in connection with this matter?—A. Nothing that I traced to Mr. Johnson that I know of. I think I understood from some source that not only Mr. Lyon but Mr. Johnson were the two "eminent Americans" who furnished information in London upon which Paffard's pamphlet was founded, and that they were behind and inspiring him.

Q. Mr. Johnson says he never saw Mr. Paffard, and therefore does not know anything about him. At least he never had any conversation with him.—A. I think Mr. Johnson himself speaks in his testimony something about Lyon and Davis being two men who could give information to persons in London that he was going to warn. I may have confounded the two things together.

Mr. FAULKNER. Mr. Chairman, I have performed the duty that the committee have devolved upon me, and now close the cross-examination.

By Mr. CHITTENDEN, (of counsel for General Schenck:)

Q. When and from whom did you first receive the information that it was charged that the venders knew the Emma Mine was an exhausted mine when they sold it?—A. I think I stated that, but I will tell you when it was. I remember very well. The first time that I ever heard anything of that kind was when Mr. Turner, who was seeking to get my deposition as one of the original directors, to be used in the suit against Park, told me of his intention to take my testimony, and his desire to do so; and he told me at the same time that he had been in New York and had returned, and that they had discovered several points in their case which they thought would bear very strongly against Park and Stewart and Baxter and the venders of the mine. The one upon which he seemed most to rely, and which I never had heard of before, was a

which he represented had been discovered or found or furnished
mebody, from Stewart, I do not know to whom, perhaps to Lyon,
it may be that he said the letter was obtained from Lyon—I don't
mber—in which Stewart spoke of the mine as a played-out or an
usted mine.
r. HEWITT. "Worked out."
he WITNESS. Well, I know that conveyed the idea.
. When was this, general?—A. It must have been in the spring of
year.
. The spring of 1875?—A. The spring of 1875. Turner had been
here on business of the Emma Mine about this litigation. He had
rned. I went to Norway on leave of absence in July, and it was
e time between the earlier spring and July, at any rate before I went
Norway. I should say it was a long about May, 1875. I confess it so
prised me that I sought information to know whether it was so or
and if so, what was the explanation of it. But I had never before
heard anybody pretend that it was a worked-out mine. I never
erstood that Mr. Lyon, when he was interested in the mine, and ask-
his share, whatever it might be, had represented that it was a played-
or worked-out mine. On the contrary, I supposed that if Mr. Lyon
there with Park and others seeking to sell this mine, or to have it
, or to stand by while it was sold, in order that he might receive his
0,000, or his $200,000, that he must have been satisfied that it was
ood thing which he was selling. But that is the first time I ever
rd of it. I can fix that fact, and that will determine the date. It
a letter, I think, from Stewart to Lyon.
Mr. FAULKNER. Yes; we have a copy of that letter here.
he WITNESS. It was considered the great point of proof, as Mr.
ner assured me.
djourned.

WASHINGTON, D. C., *Saturday*, *April* 1, 1876.

AMES E. LYON recalled for cross-examination.
he WITNESS. Preceding the taking of my testimony, I would like to
sent a short statement.
Mr. SPRINGER. Is it a part of your sworn testimony?
he WITNESS. No, sir; it is a statement I would like to present to
committee.
he CHAIRMAN. You may hand it to Mr. Faulkner, and let him pre-
t it as your statement, in conformity with the resolution of the
mittee.
Mr. PHELPS, (of counsel.) I deem it my duty, in behalf of General
enck, to object to the reception of any such paper. I have not seen
paper; and, as the chairman is aware, the reading of it places it so
upon the record as that it goes out through the public prints, and
reby affects General Schenck.

By Mr. FAULKNER:

Question. Mr. Lyon, do you swear that the facts contained in this
er are true?—Answer. Yes, sir.
Q. Do you offer to make it a part of your testimony, with all the re-
nsibilities and the obligations upon you as a witness, in making this
tement?—A. I do.
Q. And you request Mr. Johnson to read it?—A. Yes, sir.

Mr. JOHNSON. By permission of the committee, I will state that the letter was drawn in great haste by me this morning.

The committee received the paper in evidence, Mr. Faulkner having previously examined it and made certain erasures. It is as follows:

To the Committee on Foreign Affairs, House of Representatives, &c.:

GENTLEMEN: When the ex-minister to England appeared before your committee on the morning of the 28th ultimo, he obtained permission to read a statement, which he informed the committee he desired should precede the testimony that he was then about to present, explanatory of his connection with the Emma Silver Mining Company, limited, of London.

As this statement seems to have been presented for the purpose of assailing the characters of Mr. Johnson and myself, and as he evidently intended to secure for it wide publication in all the principal newspapers of the United States, as followed through the report of the agent of the Associated Press, he then being present in the room of the committee, I beg to submit the following, viz:

That General Robert C. Schenck, before and at the time of presenting his said statement, (as he has since been compelled to state to this committee,) had no personal knowledge whatever on which to base the statement, and that therefore the charges therein contained that Mr. Johnson and myself "were men of infamous character, unworthy of credit under oath," were wantonly made.

These statements have been further characterized by the reading of a letter to the committee by General Schenck, in the progress of his testimony, written to him, as he says, by a man in London whom he did not know, and of whom he has no knowledge whatever, in which I am charged with having absconded from England, which letter was also published throughout the country, General Schenck having personally placed the same in the hands of the agent of the Associated Press from the chair of the witness, which he then occupied in the presentation of his evidence.

I pronounce all the statements contained in the above letter false and untrue, and I deny that it is in the power of General Schenck to produce testimony before this committee that shall in the slightest degree make against the credibility of Mr. Johnson or myself.

Respectfully submitted.

JAMES E. LYON.

APRIL 1, 1876.

Mr. CHITTENDEN, (of counsel.) Mr. Chairman, as I wish very much to save the valuable time of this committee, I think I can do so by introducing here a statement made from the files of the "Mining Journal," a weekly statement of prices of Emma shares from the organization of this company to the end of November, 1872. This was prepared by one of my clerks, and afterward very carefully revised by myself; and if any doubt is thrown upon it, it is easy to compare it with the "Mining Journal" here in the library.

Mr. SPRINGER. Is this put in as a part of your evidence? It is simply *prima-facie* evidence of the fact.

Mr. CHITTENDEN. It is as evidence in the case; it is copied from the "Mining Journal, Railway and Commercial Gazette," recognized, I believe, to be the leading paper on those subjects in London.

The statement thus introduced is as follows:

Emma stock from November 17, 1871, *to November* 24, 1872, *taken* *e Mining Journal, Railway and Commercial Gazette, published* *don.*

1871.		1872.	
.8	23½ *a* 24½	May 18	28 *a* 29
5	22 *a* 22½	May 25	28 *a* 29
	23	June 1	28 *a* 29
	23 *a* 23½	June 8	25¾ *a* 26¼
.6	23 *a* 23½	June 15	20½ *a* 21
3	Christmas.	June 22	15¾ *a* 16¾
0	23 *a* 23½	June 29	19½ *a* 20
		July 6	18¾ *a* 19
1872.		July 13	19 *a* 19½
	20 13/20 *a* 20 13/20	July 20	21½ *a* 22
	23 *a* 23½	July 27	21 *a* 22
	21 *a* 22	August 3	22
	18 *a* 20	August 10	20 *a* 21
	16 *a* 18	August 17	20 *a* 21
0	15 *a* 16	August 24	19¾ *a* 20¼
7	16 *a* 17	August 31	*20 *a* 21
4	19½ *a* 21½	September 7	20¼ *a* 21
	19½ *a* 20½	September 14	20½ *a* 21½
	20½ *a* 21½	September 21	20½ *a* 21½
	20 *a* 21	September 28	22 *a* 23
	23 *a* 23½	October 5	24 *a* 25
	23 *a* 23½	October 12	23½
	23 *a* 24	October 19	22½ *a* 23
	23 *a* 24	October 26	22½ *a* 23½
	31 *a* 32	November 2	*22½ *a* 23
	28 *a* 29	November 9	23¼ *a* 23¾
	27½ *a* 28	November 16	23 *a* 23¼
	32	November 23	22¼ *a* 23½

* Ex d.

xamination of JAMES E. LYON.

Mr. CHITTENDEN:

Lyon, where do you live?—A. Well, sir, I live in New York he time, and some of the time my family live in Racine, Wis-

v long is it since you have lived with your family in Racine, n?—A. Two or three weeks.

ı have been there within two or three weeks?—A. Yes, sir, I I should say two or three weeks.

at length of time have you passed in Racine since 1871?—A. ı time. I went to Europe in the fall of 1871; I returned in the 74. I have been home twice since.

at is your business?—A. My present business?

.—A. I have been engaged at working up a tract of land in rn country for the market. I have been working it up, more r a year, in New York.

ere in the western country?—A. In the Territory of Colorado. that been your sole business or principal busines?—A. Well, The fact is, I have been spending a good deal of time over

once lived in Colorado; in what year did you leave there?—A. orado in the spring of 1864, and came to New York; came Racine, stopped there a few days; went to New York, and re-me in 1865, and then to Colorado. I remained in Colorado ık, February, 1866, as I can remember without any dates.

Q. When you finally left?—A. Left Colorado? Yes. I have n been there since.

Q. Since that time will you tell us of any regular business in whi you have been engaged?—A. No, sir, I have not been in any regul business. I have had a couple of suits on hand in New York that have been attending to.

Q. You live at the Saint Nicholas Hotel?—A. Yes, that is where I stay when I am in New York.

Q. One of the leading hotels?—A. Yes, sir, one of the leading hotels.

Q. What are your means of livelihood?—A. I do not know just exactly how you will have me answer that question.

Q. How do you obtain the money for your expenses?—A. I borrow some of it.

Q. Borrow some of it?—A. Yes, sir.

Q. How do you get the rest of it?—A. I have had money due to me that I have been collecting since I came to New York from Europe.

Q. How much?—A. Twenty thousand dollars.

Q. From whom did you collect it?—A. Mr. Chaffee.

Q. The gentleman spoken of by Mr. Stewart?—A. Yes, sir.

Q. During the past summer you have been examined in New York on proceedings supplemental to execution, have you not?—A. Last summer?

Q. Well, within a year.—A. Yes, sir, I think I have.

Q. What was the amount of the judgment?—A. I do not remember now.

Q. Some $40,000 or $50,000 was it not?—A. Yes, sir. I should think it was over that.

Q. Before what judge was that?—A. I do not recollect. O, it was not before any judge.

Q. You were first sworn before a judge, and then your statement taken, I presume, as is the ordinary course in such examinations?—A. O, yes, sir.

Q. And then you signed it, and swore to your statement, I presume?—A. Yes, sir.

Q. In that statement, when the question was put how you got the money to pay your hotel-bills, did you say, "My friends lent it to me?"—A. I do not recollect. If you will show it to me I will tell you whether I said so or not.

Q. I ask for your memory.—A. I do not remember what I did swear to. I believe it is true, what I did swear to.

Q. What did you swear there about your means?—A. I do not recollect. If you will show it to me I will tell you.

Q. Have you any recollection about it?—A. No, I have not. I swore to it about as I understand it now, I guess. I do not recollect.

Q. You cannot recall whether you stated there that you had any means or not?—A. No, sir. What I stated there I believe to be true.

Q. Undoubtedly, but can you recollect what you stated?—A. No, sir; I cannot recollect.

Q. You cannot remember anything about it?—A. I remember that I was examined, and I remember that I made a statement, but I cannot recollect now what it is. If you will show it to me I can tell you.

Q. We learn from your testimony that you left this country in November, 1871; is that correct?—A. Yes, sir.

Q. And returned in October or November, 1874; is that so?—A. Yes, sir.

Q. When you went away did you leave large unsatisfied judgments

ainst you in this country?—A. I believe there were one or two; two, think.

Q. Amounting to fifty or more thousand dollars?—A. Yes, sir; I am one the worse for that, am I?

Q. Have they since been paid?—A. No, sir; they have not.

Q. When you left this country in the fall of 1871, had you any substantial property except your claim on this mine?—A. I do not recollect now that I had.

Q. When were you last in England?—A. I was last in England in the summer of 1874, I think.

Q. And when you left England did you go to Paris?—A. Yes, sir; I returned to England again, went back and forth some four or five or six times, I think.

Q. The last time you left England did you proceed to Paris?—A. I do not recollect now whether I went directly to Paris or not.

Q. Will you swear you did not go to Paris?—A. You heard what I said, didn't you? I do not like to be insulted. I wish you to take my answer as I give it.

Q. I certainly desire to put perfectly civil questions. I want to ask, then, how positive the witness is, and the question I put is a usual one in courts of justice. Will you swear that the last time you left England you proceeded to Paris, or that you did not proceed to Paris?—A. Well, I said I did not know whether I did or not, I believe; did not I?

Q. Did you leave England secretly?—A. No, sir, I did not.

Q. Did you go from Paris to Brussels?—A. I do not know whether I went from Paris to Brussels or whether I went from England to Brussels or Antwerp. I have been on three or four occasions during the summer of 1874. I do not recollect the last time whether I went to Paris and from there to Brussels and Antwerp, or whether I went from England there. That is my answer.

Q. Is your name James Elias Lyon?—A. That is my name.

Q. Before you left England, had bankruptcy proceedings been commenced against you?—A. They had, sir.

Q. Had they been a considerable time pending?—A. I do not recollect enough about bankruptcy proceedings in England to know much about it. The paper was served on me, and I went to the attorney. I would like to explain that; will you allow me to do it right here, now?

Mr. CHITTENDEN. Certainly.

The WITNESS. I was doing some business with a broker in London, who had a secret partner; that secret partner—or silent partner, you may call him—introduced me to a gentleman who was reported to be a man of large means, a very wealthy man, a large dealer, and man of great wealth. He sold me a call on some stock in the English market. I inquired if that man was dealing in the house; they said he was not, of any consequence, or but a very trifle, at least. This man reported that he had a call on another large house for a large block of stock, and that it was to be divided between them. I had sold some stock short with this broker. When settlement-day came this man that was represented to be a man of large wealth had run away a day or two previously. The result of it was that he was owing to some broker somewhere from eight to ten thousand pounds. The broker failed, and made out an account against me for £3,700. His friends requested me to compromise it with him. I would not do it. I set up my defense and I intended to defend it. I went to Brussels as many as twice, perhaps three times. This confidence-man—as I claim he was—was represented to be doing business on the Brussels Stock Exchange.

I went there twice to find him, if not a third time. I did not succe in finding him. When I came back to London each time I went to th attorney, and once I paid him sixty or seventy pounds to suspend an proceedings against me until I could make further inquiry or get up m defense. The thing went along some time. I do not understand how i was in the court; I had not the run of it, and did not understand the pro ceedings. Finally, I stipulated that if he would let it remain a certai length of time, I thought I could arrange it and settle it at a certai time. The claim was offered to me at one time for £100, and I decline to pay it. Bankruptcy proceedings were instituted against this broke and this claim of mine got into their hands in some way during the pro ceedings; but as for running away or going away to avoid anything o the kind, I never did.

Q. Did the officers of the bankruptcy court know that you were goin away when you went the last time?—A. I never saw an officer of th bankruptcy court. I never saw an advertisement of any character o description.

Q. How were the proceedings commenced?—A. Merely a pap served on me, and that was all. It was about bankruptcy. Wheth they had a private court to sue in, I do not know. I did not understan it that time, and I do not now. My conduct was, I thought, in pe fect good faith, and everything that I did on the occasion. I was swi dled by an unmitigated rascal, I thought, and I thought two or thr persons were engaged in it. The very attorney that brought the su against me for this claim told me that he thought I had been swindl and imposed upon. He said he saw clearly how it was done, but th he had no authority in the matter, and could not do anything for me any way.

Q. Do you know a Mr. Goldring in London?—A. I do, sir, to my s row.

Q. Is he a man of bad reputation?—A. Very bad, indeed, sir; noto ously bad.

Q. Do you know a Mr. Wolfe?—A. Yes, sir.

Q. Is he a man of bad reputation?—A. I never knew anythi against Mr. Wolfe's character until there was some difficulty in t smuggling business connected with Mr. Lawrence. How far that h compromised him, I do not know. Mr. Lawrence I do not know; never saw him in my life.

Q. Before you found out about Mr. Goldring, were you quite intima with him?—A. Before I found out, yes, sir. I was considerably in mate with him.

Q. For a considerable length of time?—A. Yes; for a considerab length of time.

Q. How long—some months?—A. Yes, sir; a few months.

Q. Did you ever live in Ogdensburgh, N. Y.?—A. Yes, sir; I wa born there, and lived there until I was eighteen years old, and have bee there some since.

Q. It is suggested to me that I ask what your business with Goldrin was. State it in a general way.—A. I did not have much busines with Mr. Goldring. I bought some diamonds of him. I lent him £30 once. I believe that is the extent of my business dealings with him. never had any stock transactions with him in my life.

Q. Have you ever lived in Milwaukee?—A. No, sir; I never live there. I have been in Milwaukee a few months only, that is all.

Q. Have you been at any time connected with the Milwaukee Cham ber of Commerce, or Board of Trade?—A. No, sir.

Q. Were you acquainted with the leading members of that Chamber of Commerce or Board of Trade?—A. Well, sir, twenty years ago there was quite a small body of men around the board there, quite a small number. It was not much of a board at that time, which was in early days. It was in 1855 I recollect it it was my last business in Milwaukee.

Q. Were you then generally accquainted with the members of the Milwaukee Board of Trade?—A. I do not know how many. Probably I was acquainted with them—yes, sir; I think I was. I cannot recollect their names now, but I think that what few men were there I was acquainted with them.

Q. Were you subpœnaed to appear as a witness before this committee?—A. I was, sir.

Q. And you are now acting under that subpœna?—A. Yes, sir.

Q. I do not know how the fact is, but it has been said to me that your statement before the committee was read from printed or written slips. Was it?—A. It was not, sir.

Q. Was any portion of it?—A. I do not know but a small portion was; I do not know that it was. No, sir; I believe not. It was just the last day that I was being examined here; I took out a printed slip for some particular purpose, and I was asked by some gentleman of the committee if that was printed, and for what purpose it was printed, and I told him.

Q. For what purpose was it printed?—A. It was printed because a Mr. Reid, of the New York Tribune, sent a reporter to me to ask for it, without any communication from me to him whatever. It was a perfect stranger to me that came in there and told me what he wanted it for.

Q. It was printed in the Tribune office, was it?—A. O, it was printed in the slips there—yes, sir.

Q. Now, will you oblige us with a copy of those slips?—A. I have not got it with me here, but I have got most of it in my room. I have only one copy, and some of it has been cut out.

Q. But will you furnish us with those slips?—A. O, yes, sir.

Q. Were you in June and July last, in the city of New York, sworn and examined as a witness for the plaintiff in a suit in favor of the Emma Mining Company against Park and Baxter, before a United States commissioner?—A. Yes, sir; I believe I was.

Q. Was your examination continued through ten or twelve days, and does your deposition cover five or six hundred pages?—A. It was continued longer than that, I think; yes, sir. I do not know how many pages. I have not read them since.

Q. Were you examined and cross-examined upon the same subjects respecting which you have testified here before this committee?—A. I was, sir.

Q. And thoroughly?—A. I do not know how thoroughly you might consider it.

Q. Well, how did you consider it?—A. I probably was more thoroughly cross-examined than I was examined.

Q. Were you then furnished with, and have you ever since had in your possession, a full copy of the deposition you there made?—A. Was I furnished with a full copy?

Q Yes, sir.—A. Well, I believe it was a copy.

Q. And you have had it ever since?—A. No, sir; I have not got it. I only had a copy of the direct examination. I never had a copy of the cross-examination. They did not give it to me.

Q. Was the testimony you there gave in substance the same as you have given before this committee?—A. I suppose it ought to be. I intended to give it the same, as near as I could.

Q. In that evidence did you make any reference to any alleged corruption on the part of Judge McKean?—A. I was not asked about him. I should have stated more fully, but it was turned to asking legal questions. I meant to give a statement, and I was interrupted by their asking me questions, and of course they drew off on that line of examination.

Q. Will you look at page 32 of your testimony before the committee? In that deposition did you make any reference to the matter contained in your testimony here between the words "I have no doubt," near the bottom of page 32, and the words "I knew about it," on page 33? Did you make any reference to that subject?—A. I do not recollect whether I did or not.

Q. Did you make any reference in that deposition to the Sir Roundel Palmer story?—A. I do not know that I did. I do not recollect.

Q. In that deposition did you deny that Johnson was your counsel and attorney in England?—A. I do not recollect what I swore to.

Q. Being asked that question, did you not say he had been your attorney in this country, but was not your attorney in England?—A. I may have said so. Mr. Johnson was not acting for me in the capacity of attorney in England.

Q. Well, or as counsel?—A. I might say that he was as counsel. Mr. Johnson was with me, and we were together a good deal in England. I might say that, not so far as any litigation or lawsuit was concerned; I did not mean to say that he was counsel in that respect.

Q. Being asked whether you had not introduced him as counsel to your friends, did you not reply, in substance, "I do not know what Mr. Johnson may have said; I never did?"—A. I do not know but I did; I may have said that.

Q. Turn to pages 48 and 49 of your testimony here. In your deposition there did you make any reference to the conversation you had with Paffard, described on page 48, and with Mr. McCulloch, on page 49?—A. I do not remember whether I did or not. If any questions were asked me on that subject, I did.

Q. You do not remember?—A. I say if any such questions were asked me on that subject I answered them. I wish you to understand that I was not as a witness there to make a detailed statement of everything that I could remember in reference to this Emma Mine. I was not put in that position. I was placed there, and I began to make a statement, and was interrupted, and finally it ended in an examination by asking me chiefly questions by the opposite party, by the counsel for the English people. Of course I would not expect to make statements in detail, as I was not called upon for that purpose. I went there in the first place not knowing that I was to have anything to do or say whatever with reference to my business with these gentlemen, Park and Stewart. I supposed the examination was to be confined chiefly to what I knew about the mine and the manner of selling or disposing of it to the English people. More or less of my testimony was drawn out in questions that were asked me.

Q. I wish to run over this hastily, and have only a couple more questions on this point. I seek now for your memory. Were you not repeatedly asked by the counsel for the defendant to state all you knew in reference to Mr. Stewart, Mr. Park, General Schenck, and General Baxter? I ask you whether you do not recollect that you

were so pressed repeatedly by the counsel for the defendant?—A. No. I do not know that it was precisely in that shape. I think that I was very often questioned as to what took place at that particular conversation. The question would be asked, "Was there anything further that took place at that conversation?" If I did not recollect, I would say that I did not remember. I could not remember it, perhaps, all in detail, because it was not required of me in that testimony.

Q. Do you mean to be understood that the statement you have given here, so far as the same facts are mentioned in both statements, is substantially the same statement which you gave in that deposition?—A. So far as any statements that I made in that deposition are concerned, it was my idea that I was making the same statements on that occasion, so far as I made them, that I have made in this matter.

Q. But you may have made some statements here that you did not make there.—A. And I made statements there, perhaps, that I have not made here, because it is very difficult for me to sit down and go through a detailed rapid statement as fast as I can talk. There were a great many things that I did not say on either occasion that have come to my mind since I have been examined here. A great many items have come to my mind since.

Q. On the first page of your testimony it is stated in substance that you left Utah in the autumn of 1868. We will not go over the statement. When did you next return to Utah?—A. I think in the spring of 1870.

Q. Are you confident about that?—A. Yes, sir; I am pretty sure.

Q. Might it not have been as late as the 1st of July before you returned?—A. I should say not. No, sir. I think I was not there earlier than that; I mean in the spring or fore part of the summer, in the early part of the year 1870.

Q. When you left Utah in 1868 how much money had you invested in this mine?—A. I do not now recollect how much. I knew how much I used just the day that I left there. I cannot tell you exactly how much I spent there.

Q. How much did you pay to Woodman & Chisholm, including furnishing them supplies, &c.—the whole thing?—A. I did not furnish them with any supplies.

Q. Well, how much did you pay them?—A. I commenced the work on the mine in the first place—worked on it some days.

Q. I beg you will not go into an explanation. Now, give me, as near as you can, about how much money you paid them.—A. I wish to say that I worked on this mine before I employed them upon this mine originally. I worked single-handed with my men, without any assistance from Woodman & Chisholm, and without their doing an hour's work; I took it from the grass-roots; I want it distinctly understood that I commenced, then and there, on the surface with this work at this shaft. I put that shaft down, worked considerably there, took out about 75 tons of ore, worth, I thought, about $100 per ton, net. I let Mr. Woodman the contract to sink that shaft 50 feet deeper than it then was. He took the contract of me at $3 per foot. I gave him $75 at that time, in advance, without his asking me for it, and was to pay him the other $75 when he got the work completed. He was to draw on me at the Saint Nicholas Hotel for the money.

Q. Was that $75 all you paid to Woodman & Chisholm?—A. Yes, sir.

Q. Did they ever draw on you for any money?—A. No, they did not; and they did not sink the shaft.

Q. Did they ever write you for any money?—A. I do not recollect that they ever wrote me. If they did, I do not remember it now.

Q. Do you know a Dr. Uregreghart?—A. No, sir; I do not know him.

Q. Do not know any such man?—A. No, sir.

Q. What communication did you have with your partners in this mine from October, 1868, when you left Utah, and the spring of 1870, when you returned there?—A. I recollect having one letter from Mr. Chisholm, with a package of ore. They were to send me packages by express from time to time as the work progressed. Mr. Chisholm wrote to me one letter, and sent me a package of ore by express, saying that the mine looked about as it did when I left, or something of that kind. I do not think that I had any other correspondence with them. I do not recollect that I did.

Q. In that spring when you went out there, you found that the mine had begun to produce ore, did you not?—A. Yes, sir; they were working that mine then.

Q. I think you have sworn that, before you left New York to go out, you heard that they were sending ore to Newark, N. J.—A. I heard from the mine before that, but not from them.

Q. Well, you heard from the mine.—A. Before that. I mean I heard from the mine soon after I left Utah to come home, in 1868. A friend of mine out there wrote me what they were doing.

Q. There was a good deal of excitement at Utah about the mine when you got there, was there not?—A. No, sir; not very great; there did not appear to be.

Q. How long after you got there was it before you commenced the suit?—A. My recollection now is that it was a few weeks.

Q. You have stated, "After about two weeks' delay I commenced a suit in a court of Utah." Is that correct?—A. I probably may have commenced preparing the papers for the suit. I cannot say exactly when the papers were filed; but I think I commenced about that time.

Q. Was that the occasion upon which you applied for the injunction?—A. Yes, sir; I think it was.

Q. And the injunction was refused?—A. No, sir; it was not.

Q. Well, at first you got an injunction; it was set aside, and then a hearing was had for another one?—A. Yes, sir.

Q. And the second one was refused?—A. Yes, sir.

Q. Was that refusal upon this occasion when you were at Utah?—A. The second refusal?

Q. Yes.—A. I think it was, sir.

Q. Before you came away?—A. I think so.

Q. The action which you then commenced was for one-third of the mine, was it not?—A. No, sir; it was not. My action was for the whole of the mine.

Q. Had you any doubt about the validity of your claim to the mine?—A. The whole of it?

Q. Yes.—A. I did not have, when I commenced it—not until afterward. When I commenced it I thought that I could hold the whole of it.

Q. Afterward you had some doubt on that subject?—A. Yes, sir.

Q. But did you ever have any doubt, or have you now any doubt, that you had a good claim to one-third of that mine from the time of its discovery?—A. I never had a doubt of it, sir.

Q. And have not now?—A. No, sir.

Q. When you brought that suit, how much did you think this mine was worth?—A. I do not now recollect.

Q. Have you any idea about it?—A. No, sir; I have not. I have an idea what I would have settled for.

Q. How much would you have settled for?—A. I think I would have taken $50,000; perhaps I would have taken $25,000.

Q. After you left Utah, upon that occasion, did you return to New York?—A. Yes, sir; I think I did. I do not know but I went back to New York before I commenced a second suit. I am not sure about that.

Q. On the 22d day of July, 1870, were you examined upon supplementary proceedings before Judge Brady, on a judgment in favor of Edward Strong, for above $38,000?—A. I guess I was, sir.

Q. You remember that, do you?—A. No, I do not remember it; I do not remember the date.

Q. But you do remember the fact?—A. Yes, sir. I do not remember much of the facts, but I think I was examined. Whether the examination was closed or what was done that day I do not now remember. But I recollect very well that a party obtained a judgment against me for $38,000.

Q. Did you there swear in this language: "I have about a dollar and a half; I had no more than fifty cents on me when this order was served last night; I live by borrowing money; I do not keep any bank account"?—A. I do not know but I did. If it is there, I swore to it. It is so long a time since that I do not remember it.

Q. Have you any doubt that you swore to it?—A. Well, I don't know. No, sir; I do not think I have.

Q. Did you also swear: "Have not kept a bank account in three years. I do not hold any bonds and mortgages; I hold no stocks; I have a few worthless petroleum stocks; I do not hold any notes against anybody; I have a claim in litigation against De Como Brothers for about $10,000. It is now due on appeal. They are not good. It is assigned to Alexander & Throop, for a claim they had against me. I do not think of any other claims"?—A. Very well, if that is so stated there, probably I did.

Q. Have you any doubt that you did?—A. If it is so stated there, I have no doubt of it.

Q. Did you also state: "I have claims against several parties for borrowed money, not worth anything"?—A. Yes, sir. I believe I have got a great many of them.

Q. Did you also state: "I have no other property of any description"?—A. Very likely; I may have done so.

Q. And yet you then owned one-third of a silver mine?—A. I claimed it, understand; but I had not got it.

Q. But you state here, "I have no other claims." Do you wish to make any explanation of that?—A. No other explanation than that probably I did not consider that I could recover it; perhaps I thought I could not recover it, and perhaps I never thought of it. I cannot tell you.

Q. The fact that you had been out there and brought the suit for this silver mine may have escaped your attention. Is that what you mean to say?—A. It is the fact that I did not designedly mak any statement, you understand, in that paper, but what I thought to be true.

Q. Do you mean to say that the fact that you owned a third or more of this silver mine may then have escaped your attention?—A. I should not have had any hesitation in stating just exactly what my claim was, and the nature of it, if it had occurred to me.

Q. You think it did not occur to you?—A. I think not, because it was not stated there. If it had, I should have stated it.

Q. And it was only a few months before that that you had to Utah and commenced this suit. You commenced this su you came back, and this was just after you came back. Ho have escaped your attention?

The WITNESS. Do the records say that I had commenced Had I commenced it before that time?

Mr. CHITTENDEN. I am not under examination.

A. I do not know whether I did or not, but if I did, it ha escaped my memory, whether I brought a suit there in Jun it might have been in July or August or September when I the suit. I cannot remember. If you will show me the papers me a fair opportunity to make a statement, I should like to do

Q. I do not wish any doubt left upon one point. This ex was on the 22d of July, 1870; was that after you had been ou in the spring of 1870, as you have sworn here?—A. I may be about being out there in the spring. I do not clearly unde because there are some things that I would not naturally ca mind, and other things I would. I would not be so apt to carr of the details of a lawsuit that I had out there then, and all of thing, when the paper was before me, as I would some mor fact that came immediately in contact with my interests, understand.

Q. What do you think about it? Do you think this ex was after you had been to Salt Lake, or before?—A. My i was that I was at Salt Lake, and commenced the suit before, not sure of that. As I say, the papers were being prepared. sure but it might have been even into September when tha brought. We are talking about July, 1871, and not July, 1 understand.

Q. I have gone over this subject once, and you have stated were very positive you went out there as early as May or J Now, do you wish to take back any of that statement?—A. consider that it is material whether I went out there in May, J August, or September. It is a matter of memory only, and my has not been called to it. It is a long time since.

By Mr. PACKER:

Q. This was in 1870 or 1871?—A. This was in 1870 that I a about. The gentleman says he was out there arguing a suit was not there.

Q. You are talking about 1870 now?—A. 1870; yes, sir.

By Mr. SPRINGER:

Q. Was the suit in 1871 or in 1870?—A. 1870.

Mr. CHITTENDEN. You have said nothing about the year 1 My examination is confined to the spring of 1870, the occasion on pages 1 and 2 of Mr. Lyon's testimony.

Mr. FORNEY. He does not say he was there in the spring, b visited Salt Lake in June, and remained there three or four

The WITNESS. I got information about the mine in the spr may be mistaken about the time.

Mr. PACKER. His testimony is that he visited Salt Lake al 1870.

Mr. SPRINGER. The record of the court will show when th begun, I suppose.

Mr. JOHNSON, (a previous witness.) Yes, I brought the acti in September or October.

The WITNESS. Well, I may be mistaken about it.

Mr. CHITTENDEN. I attribute no importance to the time when that suit was commenced; but I wish to justify myself before the committee, if the committee will pardon me one moment. In New York the witness swore as follows on his direct examination: "In 1870, in the month of May or June, I learned that Woodman and Chisholm were shipping ore to New York from the said mine, and I then left for Salt Lake to ascertain the fact, and found that they were shipping ore from the same mine that I had opened," and so forth. On his cross-examination on that point he fixes that date with a little more definiteness, as in May. Once he says that it was in the spring, and again that it was in May or June.

By Mr. CHITTENDEN:

Q. At some time during the summer you acquired what is known as the Brain title to this mine, did you not?—A. Yes, sir. I do not know what time I got it, but I got it some time.

Q. Were you there when that title was purchased?—A. No, sir.

Q. Where were you?—A. In New York.

Q. Who obtained that title for you?—A. Mr. Dalton was one man and Mr. Mann was another.

Q. When you went out first in 1870, at whatever time in the year it was, had you purchased the Brain title?—A. I do not recollect whether I had or not. Some parties out there purchased it, not in my name; I believe they purchased it for themselves. My recollection is that they purchased it and took the papers in their own name.

Q. Yes; but when did you get the Brain title conveyed to you?—A. Not until after I went out to Salt Lake.

Q. The first time?—A. I do not know whether it was the first time or the second time; I am not clear about that.

Q. You were once in Salt Lake before you acquired the Brain title; do you mean in 1870?—A. I do not know; it is not clear in my mind whether I was out there twice or once during 1870.

Q. Did you go out to Salt Lake in 1870 before you arranged to buy the Brain title?—A. I do not recollect that I did. I cannot say about that. I have no papers here to refresh my memory with on that subject.

Q. Did you not go out there and make arrangements to buy the Brain title in 1870, and then come back to New York, and send out some money to pay for it?—A. I do not recollect that now.

Q. How did you get the Brain title?—A. The Brain title was bought by Mr. Dalton and a Mr. Mann, and they took the property in their own names, or in the name of Mr. Mann, in some way, I believe, at first; and I went out there and got possession of it, got the deed; and whether it was the first time I went out there or the second time, I do not just now remember.

Q. I will put it in another form, for I do not wish to spend time over it. When you started from New York that spring, or in June of 1870, or whenever it was, had the Brain title been conveyed to you?—A. The Brain title was conveyed to me when I commenced the suit; I can say that; but I cannot remember about the date of the suit.

Q. Was it conveyed to you before you left New York on that first visit to Utah in 1870?—A. I do not know; I think not.

Q. Do you say it was conveyed to you before you commenced the suit?—A. I think it was; I think that my suit was commenced for the injunction for the whole property; and if I did commence it for the whole of the property, I must have had the Brain title. That is the way it looks to me.

By Mr. PACKER:

Q. Do you now refer to the injunction, or the action of ejectment?-
The injunction, the first suit I commenced for an injunction. It is
memory that the Brain title was in that suit.

The counsel then introduced in evidence the following deposition

New York supreme court.

EDWARD STRONG }
against }
JAMES E. LYON. }

CITY AND COUNTY OF NEW YORK, *ss:*

James E. Lyon, the judgment-debtor in the above-entitled action, being duly sw
and examined under and in pursuance of the annexed order in supplementary
ceedings, deposed and says:

I am the defendant. I am about fifty years of age. My family reside in Ra
Wisconsin. I have been here most of the time for the past three or four year
live, when here, at the Saint Nicholas Hotel. I have a wife and six children. I
not been doing much of anything the last three or four years. My business form
was mining, in Colorado. I have no place of business here. I make my headqua
at the Saint Nicholas Hotel. I stop in occasionally at several different offices c
town. I have not been doing anything of consequence the past two years. B
that I operated in stocks pretty largely, in one sense, in 1866. I had an office
at 35 Wall street, in 1866. I then had an office 8 Broad street. I had a sign up in
street. All the business that I have here now is getting a claim adjusted I
against a firm here, Isett, Kerr & Co. I have a claim of $240,000 or $250,000 ag
them, I think. It is now before a referee, Mr. Clark, of 110 Broadway. The cla
for wrongful conversion of stocks and bonds. I have no judgment against t
They claim I owe them $7,000, and that they owe me nothing. It was brought i
superior court. My attorneys are Eldridge & Johnson. I do not own any real e
anywhere. I have owned some in 1866 in Colorado Territory. It belonged to the
of James E. Lyon & Co., and not to me individually. They did not fail. They
out a portion of it. The other members own their proportion of it. I sold min
$2,000, to Mr. Hayes, of Colorado. That was all the land I owned there. I ha
judgments against anybody that I recollect. I have about $1.50. I had no more
fifty cents on me when this order was served last night. I live by borrowing m
I do not keep any bank-account. Have not kept one in three years. I do not hol
bonds or mortgages. I hold no stocks. I have a few worthless petroleum-stock
I do not hold any notes against anybody. I have a claim in litigation again
Como Brothers for about $10,000. It is now on appeal. They are not good.
assigned to Alexander & Throop for a claim they had against me. I don't thi
any other claims. I have claims against several parties for borrowed money not
anything. I have no other property of any description. I have not been exam
before in supplementary proceedings. An order was once obtained, but aband
No receiver has ever been appointed of my property. The claim of Isett, Kerr &
is assigned to my attorneys, to the extent of one-fifth, and to the extent of one-fi
Mr. Andrew Gross, and the balance to the same Gross for about $15,000 for mo
owed him. It was for a debt I owed him for a guarantee—$2,500 of it was for m
It is also assigned beyond Gross to Mr. Frank Parmly, of Chicago. This assign
was made to Gross and Parmly afterward. This was done a year and a half ago.

JAMES E. LY

Sworn this 22d day of July, 1870, before me.

JNO. R. BRADY, *Jus*

Q. Mr. Lyon, at the time you swore to that paper, did you or did
not own one-third of this silver-mine?—A. I had claimed one-t
interest, in that property ever since 1868; there was a time, from
to 1870, when, of course, I did not suppose it was worth anythin
had no knowledge of its being of any value whatever.

Q. My question is, whether at the time you swore to that paper
did or did not own one-third of this silver-mine, worth little or muc
A. I claimed it.

Q. Did you own it?—A. I believed I owned it; I claimed it; it w
be in litigation; I had not possession of it.

Q. Why did you not mention it?—A. I suppose I did not think o
if I had I should have mentioned it; it would have made no differe

Q. You forgot it?—A. If I owned it at that time I certainly forgot it. At all events, my claim was in the distance, if I had a claim there, as I supposed I had, in 1868.

Q. You did expect to realize it very soon?—A. I knew what difficulties I would naturally have to contend with. Of course I expected to have a lawsuit.

Q. During your absence, from the autumn of 1871 to the autumn of 1874, where was the exhausted-mine letter mentioned on page 6 of your testimony, as written by Mr. Stewart to yourself?—A. What do you mean? Do you mean a letter in which Mr. Stewart says it was a worked-out mine?

Q. Yes, sir.—A. It was in my trunk in the city of New York. When I went to Europe I left it in my trunk in New York, among many other papers.

Q. You did not see that letter from the time you left in 1871 until you returned in 1874?—A. No, sir; I had lost all recollection of the letter until I came to New York in 1874. I have wished many times that I had had it with me.

Q. You thought of it?—A. Since I came home, I say, I have wished many times that I had had it with me, but I did not have it. I found it among my papers in New York City, in my trunk, on overhauling some papers.

Q. Can you produce any written or printed statement of earlier date than October, 1874, made by yourself or Johnston, to the effect that the Emma Mine was substantially exhausted when it was sold?—A. I have no such printed statements that I know of in my possession.

Q. Can you produce any written or printed statement of earlier date in which any claim is made that either Park or Stewart made any admissions to you that they knew or supposed the mine to have shown signs of exhaustion before it was sold?—A. No written statement.

Q. Nor printed?—A. None that I know of.

Q. Did Mr. Johnson and yourself, while in England, issue circulars and printed letters making statements injurious to the value of Emma shares?—A. Yes, sir; I think so.

Q. And at times when you were short of those shares?—A. Yes, sir.

Q. Were not those statements made at times when you were anxious to say everything you could, truthfully, which would damage the value of the mine?—A. Truthfully—yes, sir.

Q. You intended at that time to tell all you knew?—A. No, sir; not all I knew.

Q. That was damaging to the mine?—A. Damaging to the mine—yes, sir; most emphatically, I did.

Q. You wrote some letters for publication, did you not?—A. Yes, sir.

Q. Did any of those letters or statements contain any claim that Mr. Park or Mr. Stewart had admitted to you that this mine showed signs of failure?—A. I do not know what they contained. I could tell better if I could see them.

Q. Do you recollect that they contained any such statements?—A. I have no recollection now about the contents of the letters.

Q. None whatever?—A. No, sir. The character of them would be that the mine, of course, was selling beyond its value.

Q. I show you a pamphlet, which is called the Paffard pamphlet. I ask you if you furnished the facts to Mr. Paffard for that pamphlet.—A. Some of them; not all of them, and not for that purpose, I want it understood. I have been accused of putting out this pamphlet on many

occasions. I want it distinctly understood that I did not furnish the information to him for the purpose of making the pamphlet.

Q. Perhaps it is fair that I should ask you for what purpose you did furnish the information.—A. Mr. Paffard wrote some very severe letters about this Emma Mine; Mr. Johnson and myself were bearing it; I saw several letters from him, quite severe letters.

Q. In print?—A. No, sir; they were written letters. Soon afterward Mr. Paffard and I met, and commenced discussing these things. We used to meet and work together a great deal, and very often, and had various convèrsations; and during all the conversations we held together Mr. Paffard had gathered up from me and Mr. Davis and other parties the substance of this pamphlet, I suppose. Mr. Paffard is a gentleman of high character, so far as I know him. He has been in the employ of a railway company, the Southeastern Railway Company, and not as an attorney's clerk, as I understand. He has been in the employ of the railway company for about fourteen years. I always found him, when I was down town, at a railway office, doing business at the desk.

Q. He was a railway clerk, I suppose.—A. I do not know in what capacity; he might have been. It seems to me he was taking charge of freight business, handling the money as it came into the office. I had a general idea; I never asked him what he was particularly doing. He appeared to be a gentleman, and well dressed, and occupying a good position. That is all I know of him.

Q. Now, this pamphlet, or the postscript, is dated August 14, 1873. I will ask you whether that does not contain the first charge that you ever saw in print, that the vendors of this mine supposed it to be of small value when sold.—A. I do not now recollect about that; I cannot tell you.

Q. Do you remember any printed statement of earlier date containing any information of that fact; and, if so, what is it?—A. I do not; and I do not remember the date of that pamphlet without looking at it.

Q. I have given you the date of it.—A. I say I do not recollect anything about it at all. I could not tell you the time that it was issued, within a year.

Q. How much of this do you hold yourself responsible for—what facts?—A. I could read it to you and tell you as I went along.

Q. This story about "plastering" the mine.—A. No part of it is mine, whatever; I am not so big a fool.

Q. You do not believe in it?—A. No, sir, I do not.

Q. You think Paffard was a pretty big fool for telling it, I suppose?—A. I recollect once telling him that thing could not be done, and I so told a gentleman in New York, the editor of the "Nation," that I did not think a thing of that kind could be done.

Q. Was that before the article appeared in the "Nation?"—A. No, sir; not until my attention was called to it when I got to New York. I heard there was a publication of that kind and a suit pending.

Q. You do not believe in that ——?—A. Doctrine?

Q. Doctrine.—A. No, sir; not to any great extent, at all events.

Q. In a letter which I find here printed, on page 129, from you to Almy, you complain of having been misreported in your remarks at a shareholders' meeting.—A. Yes, sir; I guess that is true.

Q. Did you write a letter, which was published in the Mining Journal, correcting those misstatements?—A. I do not recollect, sir, now. If you will show it to me, I can tell you.

Q. Did you swear, in your New York testimony, that you wrote a let-

er, which was published in the Mining Journal of June 8, 1872?—A. I do not recollect it.

Q. I now show you the Mining Journal supplement of June 8, 1872, containing a letter dated "Langham Hotel, June 6," signed "James E. Lyon." I will ask you, first, was it published in that paper while you were in London?—A. (After examining the paper.) I have no doubt that that is my letter, sir.

The publication thus referred to is read in evidence, and is as follows:

[Mining Journal, June 8, 1872.]

THE EMMA MINING COMPANY.

SIR: In your report of the proceedings of the shareholders' meeting of the Emma Silver-Mining Company, held at the City Terminus Hotel, on Thursday last, as published in the supplement to the Mining Journal of June 1, you do me the greatest possible injustice. I do not complain that you suppressed my remarks, but it seems exceedingly unfair that you should represent me as having said the *very opposite* of what I did say.

In your report of the meeting you said that "Mr. Lyon then addressed the meeting at great length, entering into much details relative to an indefinite claim he had against the company in the position of original owner. He owned, in answer to the demand of the meeting, that in his dealings with the company's shares he had sold short, and such, he regretted to say, was his present position. The opinions to be gathered from his observations generally were, on the whole, decidedly favorable to the company, for he expressed himself, in the course of his remarks, although in rather ambiguous terms, as quite satisfied in regard to the value of the property and of its prospect of future profitable returns."

The conclusions of the writer of this report, as expressed above, are in every *particular at direct variance* with what was said by me at the meeting.

I made no claim, definite or indefinite, against the company as original owner or otherwise. I stated voluntarily that I had sold the company's shares short, and gave my reasons for doing so. I stated that I was then short of the shares, but did not say I regretted it, or use words from which such a conclusion could be inferred.

I did not indorse the company or use language that could, even by forced construction, be made to appear favorable to it or its future prospects. I cannot think of wearying your readers with a detailed report of all that I said at the meeting, but from the following remarks, given as uttered verbatim, they can judge whether I was fairly reported and whether *my observations were, on the whole, favorable to the present or future prospects of the company.* I stated that I was one of the discoverers of the so-called Emma Mine in 1868, and that I knew the condition and value of the property as well as any man; that I did not believe the shares worth £5 per share, and that I knew of the making of the contract of December 9, between Mr. Park and the American shareholders; saw a duplicate of the same as early as November in the hands of Messrs. Park and Stewart in London, and that the whole consideration for the sale of the shares was expressed in the contract itself. I also stated that Mr. Park had, to my personal knowledge, within 60 days, offered his entire shares, 25,000, more or less, to a gentleman in London for £12 per share, and this offer was made subsequent to the receipt of the reports of Messrs. Silliman, Willyams, and Stewart on the property, and stated that Mr. Park was a seller of the shares as soon as these reports came to the London public, and continued such sales until the 8,500 shares were applied for; and that Mr. Park told me that he had only shares sufficient unsold to fill the applications for the 8,500 shares; and that on a full knowledge of the above facts I commenced my short sales. That Mr. William M. Stewart had no shares or interest in the company excepting 3,000 shares which he purchased from me in November last at £8 per share, and 2,000 shares (bonus) received from Mr. Park as consideration for becoming a director in the company, making his 5,000 shares, as stated in contract above referred to. I also stated that the present explorations and workings of the company were upon ground not owned by the company or covered constructively or otherwise by the patent, and that the company were not now mining and extracting ores from their property, but from mining grounds adversely owned and held.

That the Emma Mine, as sold to the London company and conveyed under the United States patent, was 200 feet wide, running in a northeasterly and southwesterly direction, and contained no minerals of value, and that the company was now mining and extracting ores from a point 220 feet distant from the center of the gound covered by the patent in a northwesterly direction, as shown by Professor Silliman's report, being in a line at right angles with the Emma Mine, and that the ground from which the ores are now being mined is held by prior location by parties calling it the

Cincinnati ode; and should the Emma Mining Company acquire this ground b purchase from the Cincinnati owners, they would then possess a mine of only 360 feet in extent, as the vein extending beyond that point in a northwesterly direction is owned by Mr. James P. Bruner, of Philadelphia, who has owned and occupied the property since 1865, and has expended at least $100,000 in purchase and development. And I further stated that a letter had been received in London from Mr. James F. Woodman, one of the owners of the Illinois Tunnel, stating that the Emma Mining Company was working in their grounds, and must discontinue such work or buy out the Illinois claim. For the correctness of the foregoing report of my remarks, I appeal to the recollection of every gentleman present at the meeting.

JAMES E. LYON.

LANGHAM HOTEL, *June* 6.

Letter of counsel.

In connection with the above circular there was also submitted the following lette of Mr. Macfarland, the lawyer, of New York city, dated December 19, 1874, to Alber Turner, the company's London solicitor, which explains itself:

"DEAR MR. TURNER: When you first arrived in this country we were not able to giv you a decided opinion that we should probably be able to prosecute successfully a action against Park and his associates for fraud in the sale of the Emma Mine to you company. Numerous facts and circumstances, then well enough authenticated to in duce belief, but not then well enough established to constitute legal proof, tended t create a conviction that a gross fraud had been cunningly conceived and successfully executed. The case, however, did not contain facts enough to establish it, and th other outlying and material facts had not then been ascertained, collated, and ex amined. Indeed, this could only have been done in this country. Owing to the indefat igable energy of Commissioner General Gardiner and yourself, and your intelligen appreciation of the material facts and points of the case, we are now possessed of sub stantially the entire history of the scheme, and of legal evidence to establish the fact touching its conception and execution, which only needs to be put in legal form fo use. Speaking with that due prudence and caution with which a lawyer shoul always speak touching the probable result of an action, I do not hesitate to say t you that it is my decided opinion that we shall be able to recover for your company very large verdict against the defendants. To this end, however, I need hardly tel you that unity and harmony in the counsels of the company, and firmness and perse verance in its policy, are very essential. The labor incident to the preparation of proo and preparation for trial will be, as you well know, very great indeed, and we shal need the strong and constant support of your clients—the more so from the fact tha there is probably no scheme or device the wit of man can suggest that will not be re sorted to in order to defeat the action.

"Faithfully, yours,

"W. W. MACFARLAND."

Now, Mr. Lyon, if, as we understand you to have here sworn, you knew when you went to England that this mine was substantially ex hausted, and Park and Stewart had both told you so, why did you not make some reference to that fact in this letter?—A. I cannot tell you, sir.

Q. You can give no explanation of it?—A. No, sir; the letter is not in my handwriting; my name is to it, but I see I did not write the letter. But I cannot recollect, I tell you.

Q. Mr. Johnson wrote it I suppose?—A. No, sir; it does not read like Mr. Johnson's writing either.

Q. Whose does it read like?—A. Well, I cannot tell you.

Q. Whose might it possibly be, besides yours or Mr. Johnson's?—A Well, I cannot tell you, really, now; it is not my writing, I know solely.

Q. At this time were you not short of Emma shares—this is the 6th of June?—A. I believe that I was.

Q. And this is the time, is it not, that you were sending these tele grams to Almy which have been put in evidence?—A. Well, sir——

Q. Was it so?—A. Yes, sir; yes, sir.

Q. And you were interested in making the most damaging state ments you could as to the value of that stock?—A. Very well, sir.

Q. And still you can give no explanation why you did not state that this was an exhausted mine when sold, as a fact which you knew yourself, and knew from the statements of Park and Stewart. Is that so?—A. You will bear in mind that the statements of Park and Stewart, in all the conversations that I had with them, were previous to Professor Silliman's making any reports whatever upon the value of that property. Subsequently, Professor Silliman had been and examined the property, and reported upon it. I had no evidence in my possession, no means of knowing anything to the contrary but that Professor Silliman's report was true. I had no means of knowing that, because that report was made in the month of October, and of course that was some three months after I left Salt Lake City, or, say, two months after. I had no means of contradicting Professor Silliman's report in London, because it is very true that all that amount of ore might have been discovered since Mr. Park, Mr. Stewart, and myself left Utah. It is not at all improbable that that might have been discovered. Then Professor Silliman, Brydges-Willyams, and somebody else made another report upon that mine, (I think Mr. Stewart,) that they had 24,000 tons of ore in it in February in addition to the discovery of October previous. Professor Silliman's report was that there were 24,000 tons, which were of a value, according to my estimate, of some five and a half millions of dollars. Then the report had come by telegraph on the 5th of April, claiming further large discoveries of 8,000 tons more, with a similar assay of $2,000 per ton, on the top of all this. And now this is in the month of June that I am writing to those men. It is nothing strange to me that I did not say anything about what Park and Stewart thought of the mine in early days; nothing strange at all.

Q. But you knew at the time that you had in your trunk at the St. Nicholas Hotel what you say was the written admission of Mr. Stewart, that this was a played-out or a worked-out mine?—A. I said that I had no knowledge of that letter while I was in England, and I have called the attention of several of my friends to it since I came to New York, that it was very strange that I did not have it in my possession. I never knew I had it until I came to New York, and examined my papers. I had entirely forgotten about it. I had but one opinion of the mine previous to Professor Silliman's report; namely, that it was nearly exhausted, so far as any developments were made; that is the only opinion I had of it, and if I ever changed my opinion after that it was in consequence of Professor Silliman's report of October 16; and I think I did change my opinion somewhat in that respect, but not till then.

Q. How came you to write on the 20th of October, 1871, in your letter to Almy, that "the mine looks fine and everything is promising," if you then entertained that opinion?—A. I went down to General Baxter's office, and General Baxter told me that the report sent was a very fine one, perfectly satisfactory.

Q. You got that from General Baxter?—A. General Baxter told me it was a fine report. I never heard it from any other source.

Q. Are the rest of the statements in your letter of June 1 true?—A. Yes; there is one statement in there that is not true, but that is an oversight, an error, and I will call attention to it; I discovered it.

Q. You state here that, in the month of November preceding, you sold Mr. William M. Stewart three thousand shares, at eight pounds per share; is that true or false? I read the statement: "Mr. William M. Stewart had no shares or interest in the company excepting three thousand shares which he purchased from me in New York, November last,

at eight pounds per share," and I ask you, is that true or false?—A. Substantially true, sir. Now, I would like to explain that.

Q. You may give any explanation you like.—A. I was entitled in the first place to have one-half of the sales of this property deposited with Seligman & Co. when the property was disposed of, according to the terms of my contract. I was entitled to one-half of the proceeds of the money. I claimed all the money received for one-half of that stock after taking out the million and a half of dollars. They proposed to take out another million dollars for expenses, or Mr. Stewart did, making it two and a half millions, thereby using up about all the money. Then it left me, if I chose, to take one-eighth of twenty-five thousand shares of stock tied up for nine months. One-eighth of that twenty-five thousand shares would be 3,125 shares, which would be $150,000 United States currency, at eight pounds per share. That is my explanation of that. It probably would be a little more than eight pounds per share.

Q. Did Mr. Stewart ever purchase from you any shares of the Emma Mining Company of London?—A. Mr. Stewart purchased that contract which I have explained—and that is all he did purchase—which called for that 3,125 shares.

Q. The further statement is, "2,000 shares *bonus* received from Mr. Park as consideration for becoming a director in the company." Was that statement true or false?—A. That statement is true. A little more might be added to it, but so far that is true.

Q. True of your own knowledge?—A. That is what Mr. Park told me himself. Mr. Park told me that he gave Mr. Stewart 2,000 shares.

Q. You have no doubt upon that subject?—A. I have no doubt whatever upon it; no, sir.

By Mr. PACKER:

Q. At the time you sold the contract to Stewart, had there been any shares issued?—A. The shares were issued, but they were in the hands of the vendors—25,000—and I claimed a one-eighth of the shares then, and they said they could not give them to me then. They were tied up for nine months.

Mr. CHITTENDEN. I wish now, Mr. Chairman, to submit a certified copy of the minutes of proceedings of the third shareholders' meeting, held on May 30, 1872.

The minutes are introduced in evidence, and are as follows:

THIRD SHAREHOLDERS' MEETING, MAY 30, 1872.

The Emma Silver Mining Company, limited.

Minutes of proceedings at the adjourned special general meeting of shareholders, held at the Terminus Hotel on Thursday, May 30, 1872. Mr. Geo. Anderson, M. P., in the chair.

Mr. W. H. TOOKE (the secretary) read the notice convening the meeting.

The CHAIRMAN said: Before proceeding to call upon Mr. Willyams to address the meeting, he had to announce to the shareholders a circumstance in respect to the stock-exchange committee. It would doubtless be remembered that at their meeting he had been asked by a shareholder if all the rules of the stock-exchange had been complied with by the company, with the view of obtaining a quotation. He had then replied in the affirmative, but he regretted to say the board had since learned that he had been mistaken in his supposition. He desired to explain how the mistake had occurred.

As the meeting was aware, they had made an application for a quotation, and had been refused. The committee, in announcing the refusal, had not, however, stated the

ason which influenced their decision, but they had been told the reason through nother channel. They had also been informed that the resolution come to by the mmittee required a further meeting to confirm it; they had, therefore, written to e chairman of the stock-exchange committee, and requested that, before confirming at resolution, he would allow the directors of the company to state their case. To at the chairman had replied that they had been misinformed as to the resolution quiring confirmation at a subsequent meeting, but that if the company chose to ake a new application the committee would be ready to reconsider the question, and, rther, appointed Monday last to receive the directors' statement. The board, conidering that the company had been very harshly and unjustly treated, had thought his invitation to make a new application indicated a desire on the part of the comittee to reconsider their determination. They had attended the meeting on Monday, nd the committee, having heard their statement, had informed them that they would eliberate on the desirability of calling a special meeting of their committee for the urpose of considering their new application. But, to the surprise of the directors, ithin half an hour of their interview with the committee they were informed that hey had decided not to reconsider their determination. The formal intimation of hat decision did not state any reason whatever, but they had been informed privately hat the reason assigned was undue haste on the part of the board in making the econd application, although they had only acted after the chairman of the committee ad deliberately invited another application. The directors were of opinion that they ad been extremely, harshly, and unjustly dealt with in this matter, [Hear, hear!] and e would take the present opportunity of explaining the grounds of their opinion.

The stock-exchange committee had two rules relative to the question at issue. The 27th dealt with application for settlement which they had already obtained, and the 28th dealt with applications for quotations. As he had mentioned, they had applied or a settlement, and had got it without any question being raised. They had been ware that they could not apply then for a quotation, because the company had not omplied with the requirements of Rule 128, which enforced that the vendors should etain only one-third of the capital of the company. Their application for a quotation ad been refused, however, not from having failed to comply with any of the requireents of the 128th rule, but because their prospectus had failed to comply with one oint in Rule 127, which was a rule about settlements. The fact was this: the prosectus, in stating that a preference would be given to fully paid-up shares, had not tated how many of these fully paid-up shares and how many scrip shares the comany intended to issue.

At the time of drawing up the prospectus the directors were entirely ignorant of e bearing of that rule. The brokers to the company, some of the most experienced en in the city, and the solicitors, also an eminent firm, were equally ignorant of the earing of that rule; and, in fact, the requirements had so entirely become obsolete at the stock-exchange committee had deemed it necessary fifteen days after their rospectus had appeared, to post up a notice on the stock-exchange calling attention the existence of this rule. [Hear, hear!] He considered that if any objection was be raised by the committee to their application, it should have been done when the mpany applied for a settlement, and not delayed till a further application for a quotion had been sent in; and he strongly maintained such a course of proceeding was et unfair to punish this particular company on account of this unfortunate error on e part of the directors, which they certainly would have avoided had they been quainted with the existence of this rule, and which, moreover, the stock-exchange mmittee proved by its subsequent notice to have become obsolete. They were of inion that the committee should have applied that rule after the 24th of November, e date of the notice, but not have made use of its restrictions in the case of a comny formed prior to its appearance. [Hear, hear!] It would be the opinion of every e, he felt sure, that it was a very hard way of dealing to make their notice retroative; and further, the board knew that the committee had not been equally severe th other companies; in fact, they were absolutely acquainted with one case, a comny in which he (the chairman) was a director, in which the same violation of the le had taken place, and in which a quotation had been given without question. ey therefore thought that the stock-exchange committee, who were an arbitrary d irresponsible committee, had used their powers in the question at issue both unstly and unfairly.

The only other point to which he desired to call their attention, was with reference their property. The board were that day in receipt of a letter from the mine of a ry satisfactory character. He gave the assays of the ore for the month as being ry much higher than what they had been before. (Cheers.) There had been eight says made, and the average value per ton had been $200, whereas the previous says had proved to be worth only $100 to $140. This information he regarded as ninently satisfactory, as showing that the value of the ore was increasing. (Hear, ear.) There had already been published in the newspapers the last telegram received the board with reference to the work effected during May. It was to the effect that

there had been sent away by railway 500 tons of ore; there had been raised from the mines 660 tons of first-class ore, and 290 tons of second-class ore; the stock in the mines amounted to 550 tons of ore, and at the railway depot to 260 tons, about 800 tons of ore in all ready to send away. He believed even this satisfactory production was not so large as it would undoubtedly become as soon as the roads were repaired. (Cheers.) The chairman, in conclusion, begged to introduce Mr. B. Willyams, who would now give his experience gained during his recent visit to the mines.

Mr. Brydges-Willyams, on rising to address the meeting, was very heartily cheered. He said he must first apologize to the shareholders for having been prevented attending on the last occasion of their meeting. At the time their chairman had been kind enough to explain the cause of his absence, and he now took the earliest opportunity of meeting his fellow share-holders. He would at once proceed to endeavor to give them some account of his visit to the mines, and also the information he had been able to gather on the spot, respecting the other objects of interest, such as smelting, roads, and others. And he considered he should best consult the convenience of the meeting by simply giving a few facts, and then leaving it to any of the gentlemen present to ask him any questions in connection with the mines that may be of interest, and he promised to afford him the best information in his power.

He had gone to the Emma Mine in company with Professor Silliman, who was so well known both in this country and America, and whose reputation stood so high in his profession that he deemed it would be out of place if he were to attempt to eulogize him. As he had mentioned before, it was in company with this gentleman that he had, after a very difficult and somewhat perilous journey, reached the mines, but it had not been until they had gone a considerable distance over roads covered with snow between 30 and 40 feet deep, they had at length succeeded in reaching the property, but on their arrival had not been able to do anything the first night. On the following morning at daybreak they had gone into the mines. In all probability the whole of the share-holders present were acquainted with the position of the mine, but in case some one did not know, he would briefly observe that it was situated on the side of a hill, and the entrance was by a tunnel called a trackway, and it was through this that the whole of the ore was brought out of the mine. There were eight floors above and a similar number below this tunnel. They had agreed before exploring to take the eight floors above the tunnel the first day, and thus commenced the investigation of the mines.

It might be interesting to the meeting to know the way in which they had taken the samples afterward assayed, from the mines. He had been extremely anxious to be particularly careful on this point, because, as they were aware, very hard and unfavorable things had been said about this mine, and the opinion had been and was continually circulated about their friends in America having tried in this and many other instances to hoodwink Englishmen. He would mention here that on reaching the mines he had found in the captain of the mine a brother Cornishman, very well known to him personally, and who possessed great experience in all mining matters. He had, therefore, immediately struck up a friendship with this gentleman, Captain Pascoe, and had taken him about the property during his explorations. They had proceeded to investigate the mines in the following manner: Before entering the workings they (Captain Pascoe and himself) provided themselves with a great many small bags, slips of paper and a hammer. When in the level, after he had struck off a piece of ore in one place he proceeded a little farther and took another sample, and even in some cases collected three or four. These he then placed in one of the little bags with a corresponding slip of paper and handed them over to Captain Pascoe, who retained them intact until they were given into Professor Silliman's possession, under whose immediate superintendence they were assayed.

The results of these experiments were already fully known to the proprietary. He might add that he believed the ores were correctly and truthfully assayed, and that the report with reference to the testing of the value of the ores was indisputably trustworthy. The next matter had been, and it was one on which they were particularly anxious to judge, the estimate of the quantity of ore then existing in the mines. They employed every appliance for the purpose, and, as far as it was possible, measured every level, so as to form an opinion to the best of their ability as to the quantity of ore yet untouched. His undoubted impression was, after the most careful estimate, that they had considerably understated the quantity of ore still unworked, and the meeting might easily imagine they were extremely anxious not to give too sanguine a calculation as to the amount. (Hear, hear.) The next day they had proceeded in the very same way, only with the difference that they had then explored the floors below the trackway. After having completed this work, and looked at the roads, and having given instruction as to the timbering the mine, and other matters, to Mr. Willyams, the superintendent of the mine, and in whom they had implicit faith, they had started to investigate other matters in California, The instruction given previous to their departure had been with reference to certain operations they desired to be carried out in their absence. It gave him pleasure to state that on their return

they found that their instructions had been fully carried out, and with very great success, as the shareholders had been informed by the second report forwarded to them on their return from America. It would be gratifying also to the proprietary to learn that their mine was worked in the most beautiful order, and well timbered throughout. (Hear, hear.)

He regretted the absence of a tramway, for the means of transit at present was about one of the few points not entirely satisfactory. He was of opinion that it would be a matter for further consideration whether the company should not make a track lower down. He thought it would not only be necessary but beneficial to the company, as it would open out large masses of ore. He would here observe that, although he had gone out to America under the impression of being about to visit a great mine, he had not had the least idea that he should find a property of such magnitude and full of such rich ore as he had seen at the Emma Mines. In addition, he might state as his opinion, and as that of Professor Silliman, that during their absence the value of the mines had certainly doubled. (Loud cheers.) They had then turned their earnest attention to the subject of smelting, and had spent considerable time in visiting the various smelting-works in the neighborhood of the mines and of Salt Lake City. The result of their inquiries and observations had not been as satisfactory as he could have wished they might have been. The process of smelting was still in a very rough state in Utah, the difficulties in the way of its satisfactory accomplishment being very great, such as the very high price of fuel and labor. He observed, however, as the mines in that Territory were opened out and developed and the ore raised, that enterprising smelters would go out from this country; and he had no doubt when this was the case, smelting would be brought to as great perfection as it was in this country and in Germany.

For the present, they could not, consistently with the best interests of the company, advise them to embark in a smelting business, but rather deemed it would be more advisable to continue as they were doing at present, to ship their first-class ores to this country for treatment, and when at some future time the art of smelting was better known in Utah, and they would be able to smelt the ores on the spot, the benefit derived by the company would be somewhat considerable. In accordance with his advice, a parcel of the company's ores had been sent to the Winnamuck Smelting Works, and they were at present being treated there. The result of this experiment he had hoped to have heard before, but no report had yet reached the board, although they had anticipated it would arrive within the next few days. The owner of these works was a Mr. Dagget, a very clever man in his profession, and who had stated in a letter that he had tried some of his own ores in these works with success, and that if a similar result attended their experiment a saving would be effected of about $30 per ton; with regard to the second-class ores, he remarked that at the present time the quantity was so great of this produce that it was very much in the way of working the mines; they had made inquiries, and had had interviews with several gentlemen with regard to concentrating and smelting their second-class ores. (Hear, hear.)

He was happy to say that they believed that they should accomplish this most desirable object and make a great success of their second-class ores. (Cheers). He had visited the Pioneer Mills, in which the milling of ores was carried out; they belonged to Mr. Walker, of Salt Lake City, and treated ores precisely similar to those of the company. The silver returned from these operations amounted to 995 parts of 1000, which, as the meeting was aware, was very nearly pure silver. If they could obtain the like results from the treatment of their ores the benefit to their shareholders would be of course enormous. (Hear, hear.) He had given instructions, as he had before mentioned, to send twenty tons of their ore to these mills, and if the experiment proved successful, he should strongly recommend the erection of mills in the vicinity of the mine. The ores might be run down to these mills when built at a very little expense, and when treated, the bullion could be carried down and sold either at San Francisco or New York. At any rate, he thought they were in a fair way of discovering some plan of dealing with these ores, and he hoped so sincerely, because, as he had said, they were at present very much in the way of a thorough working of the mine. (Cheers.) Another important question, and to which their attention had been carefully turned, was that of the state of the roads in the cañon.

They had thought at one time that it would be possible to construct a wire-tramway from the mine to Sandy Station, the nearest point of railway, but since its contemplation the scheme had been abandoned. He had gone to San Francisco and saw some gentlemen there who were in the habit of making these tramways, and after consulting with them it was found that the expenses would be so great, and the uncertainty, owing to the inclement weather, of being able to keep always the wire tramway posts in position, they had been obliged to abandon the idea altogether. They had then thought of making a small metal-tramway, but after going into the scheme fully they had not considered it advisable to recommend it to the proprietary. The only remaining alternative, and which offered, practically speaking, the greatest advantages, was that of placing the road up the cañon in thorough repair. This would cost between $35,000

and $50,000, but on the other hand it would enable them to make a considera in the cost of transit from the mines to Sandy Station, which, at the present something enormous. The immense quantity of snow which, in its present encumbered the road, rendered it very difficult of passage, and when the sun melt the snow it was almost impassable for horses.

The worst months for traveling were, therefore, April and May, during whic the snow was melting from the effects of the sun's heat. At the same time could get the other mines in the neighborhood, small but valuable and progre properties, to join with them in making that road serviceable by putting it in the repair, it could be maintained in that condition at a very small cost. (Hear, hear.) might even establish a toll, and so make the traffic directly pay for the mainten of the road. If this were the case, he did not think the company would have in future any difficulty in getting their ore from the mine regularly. The past winte they well knew, had been exceptional in its severity, and consequently the diffic they had to contend with might be regarded to a certain extent as exceptional but in his mind he considered that they ought to be in a position to carry their o the railway in all weathers and during the whole of the year. (Hear, hear.) preceding remarks concluded the few words he had desired to address to the me They embodied, he believed, everything relating to the company's property o interest to the proprietary; at the same time he desired to say, if there were any on which he had not touched and with which the meeting felt any interest, he s be very glad to give, to the best of his ability, whatever information was de The shareholder should, without reserve, be placed in possession of as full a k edge of the property as he had acquired by his visit to the mines. (Cheers.)

A shareholder desired to know the number of men employed in the mines what nationality they were.

Mr. Willyams said that there were ninety-five men engaged on the property of whom were English and some Germans; there were no Chinese, he regret say, in the neighborhood at the present time. In answer to another question, stated that the distance from the mines to the mouth of the cañon was twelve and that the railway station was four miles farther on.

Captain Seddon asked if the system of a running a raised kind of railway w use or contemplated by the board. The system he referred to was very cheap i struction and was receiving the earnest attention of the military for the purp utilizing it in mountainous districts.

Mr. Willyams replied that he had not heard of such a mode of conveyance, perceived its practicability and deemed it worthy of consideration. The qu should have the attention of the board.

Mr. Moscrop desired information as to the tunnel, which it was reported had driven on the other side of their property and had disclosed rich ore.

Mr. Willyams regretted he could not fully inform the meeting with regard t matter. It had only come to his knowledge at 11 o'clock on the eve of his dep for England, and his acquaintance with the question was therefore very imp He had been hurriedly informed by Mr. Hussey that a tunnel driven by anothe pany had struck ore in what they believed to be their patent. He had said in a to the request of the superintendent for instructions that if they attempted to away any ore from this new working they were to move for an injunction again rival claimant, who was the Illinois Tunnel Company. He could assure them th two companies were on perfectly friendly footing, and he firmly believed that t nois Company had no intention whatever of working the ore so suddenly disco and in fact their superintendent, Mr. Williams, had very little doubt that he w able to track out the vein, and in the event of his succeeding in his attempt th working will form quite another mine. The tunnel, he had no doubt, would be at the service of the company if it were available to carry out the ore from the (Hear, hear.) On hearing of this occurrence for the first time he had offered t but it was not deemed necessary, as the Illinois Company showed no intention of ing.

In answer to a question relative to the future prospects of the mine,

Mr. Willyams said that, in his own private opinion, the company possessed valuable property indeed in the Emma Mine, and had no doubt whatever that it be paying handsome dividends long after every one in the room was dead. Th made every possible calculation as to the quantity of ore yet in the mine, an these observations he felt every confidence in saying he did not consider it possi the mine to run short of produce for some considerable time. It was of course sible to tell how long the ore would last, but he frankly confessed that he had seen such an immense mass of ore in his life as he had witnessed at the Emma. matter for congratulation he would add that the company had most excellent at the mine, and he felt sure that they would do everything in their power to d the resources of the mine and make it return as good dividends as possible. (C

e side levels were intersected they would be better able to form an opinion of re returns from the mines.

reholder considered it desirable, bearing in mind the obstacles presented by ather and extensive operations, that the workings should be pushed forward l vigor in the coming summer. (Hear, hear.)

Willyams said the chairman had given instructions to the agents on the prop- o work out as much ore as they could the moment the road was opened; he had ubt they would be able to work one hundred tons per day with ease. If they suc- d in this, such increased working would enable them to double their dividends. ers.) He believed the miners worked only six days in the week.

chairman, in answer to another question, said the telegram he had read did not fy the number of days during which the work mentioned had been accomplished. e last meeting he had read a report of the operations for April, and that had been ork done up to the 27th of that month; he, therefore, presumed the telegram de- the work effected up to the same day for the present month.

Willyams said, in answer to a question as to the advisability of sending their ores Francisco instead of New York, that the suggestion was one worthy of attention. l gone into the question at San Francisco, and had conversed with the manager Central Pacific Railway. This company was very anxious to carry their ores, thought that this line would do so at a cheaper rate than the Union Pacific hich was at present the carrier. For the company, the manager of the Central had proposed to make inquiries for him, and to get him a statement as to the at company would charge for the carriage of their ores. He had been led to that if they could have a large quantity of ore guaranteed to a certain extent is and other mines in the district, that the line would even feel disposed to es- a line of steamers for the purpose of affording an easy means of transit, and by angement a saving to this company would be insured of about 30s. per ton, and erence in time would be nearly three months.

reholder desired to hear if Mr. Willyams knew whether the new vein that had truck was a continuation of the Emma vein, because if that were the case it be only fair to conclude that the intervening space was also occupied with simi- ch ores.

Willyams said he had understood from the manager that at any rate he had no f being able to have ore all the way to where the Illinois Company had struck that, therefore, they might fairly presume the intermediate ground was ore- of equal richness to that in working. [Hear, hear.] If this were proved to be the e company would possess a second mine, and the discovery, therefore, was to be d as a most valuable one. Fortunately for them, the parties who had struck w vein were not in any respect hostile to the company, and would, without give them the use of the tunnel already driven. Workings were at present ushed forward at this point with the view of proving the continuity of the

reholder asked if there was any truth in Mr. Heram Johnson's assertions that npany had no right to follow out a vein when it went beyond their patent?

hairman said, according to the United States law, the proprietors of any mine ight to follow out a vein even if it went beyond their patent, and that, there- s company was fully justified in all its operations. But if they had been g upon any one's ground, the shareholders might rest assured that they would ard of it, and have had an injunction out against them; he would only add that Johnson's statements with regard to their property could, if he cared to occupy e of the meeting, be proved utterly false.

oscrop, who prefaced his remarks by observing that he was a large shareholder ompany, and had been so since its establishment, said before investing in the king he had taken pains to satisfy himself as to the stability and prospects of cern. He had, in the first place, addressed General Schenck, who had been a at the time he joined the company. In answer to his letter, he received a the effect that he had also subscribed and paid for a number of shares in the Silver Mining Company, and he further assured him that he should most cer- ot have done so, or have lent his name as director to the undertaking, unless felt fully convinced that the mines were indeed a valuable property, and that uld be faithfully managed. [Hear, hear.] On the receipt of a letter from nson unfavorable to the company, he had taken the opportunity of seeing With that purpose in view, he had called at his office, and had at once anted an interview. Mr. Johnson expressed himself quite ready to answer estion he might desire to put to him. He had, therefore, told him that, large shareholder in the Emma Company, he had naturally felt a little on the receipt of his communication, and should feel obliged if he (Mr.) would give his reasons for believing the property below the value of its price. He had then been introduced to Mr. Lyon, who was represented to be who had first developed the mines. Mr. Johnson had told him that he was an

American lawyer, resident for the present in this country for the purpose practically of looking after Mr. Lyon's interests with regard to the Emma Mine. On meeting their chairman since that interview had taken place, he had mentioned to him that he had seen Mr. Lyon. Mr. Anderson then informed him that this gentleman had been selling a number of their shares, but the stock of the company continuing firm and the day of delivery being close at hand, he had gone to Mr. Park and asked him for some accommodation with shares. [Hear, hear, and laughter.] Mr. Park had very justly answered that he felt no sympathy with him whatever. He then frankly confessed to Mr. Park that he had received advices from America which frightened him, because he felt sure it would be impossible after the announcement he alluded to had been made to buy Emma shares at the price he had sold them. An American correspondent had informed him that owing to the immense increase in the value of the property by its fuller development, he believed the shares would be £100 within a few months' time. Such an announcement as this fully accounted for the anxiety and terror of Mr. Johnson, who was an American lawyer, represented the interests of Mr. Lyon, but why should he also take so great an interest in his welfare as to take the trouble of addressing him and of stating verbally as well as by word of mouth the various objections and unfavorable circumstances connected with the Emma mines? He had said he did it solely for the honor of his country. [Laughter.] Now, of course, it was scarcely necessary for him to say he had not placed much weight in this interpretation of his conduct, for he strongly believed him to be an upholder of Mr. Lyon, and at the same time he wished to observe that he considered Mr. Lyon should set about forwarding those he employs in some other way than by bearing the shares of mine. [Hear, hear.] Then, with regard to the false impression that had got abroad through Mr. Johnson's agency respecting the report furnished by Professor Silliman in regard to the company's mine, he had taken great pains to ascertain that Professor Silliman stood so high in his profession as to take rank as the Sir Roderick Murchison of America. Then, again, the other day he had received another pamphlet from Mr. H. Johnson, in which he denied that Professor Silliman had been employed by the purchaser solely. He had then written a letter to Messrs. Coates & Hankey, who were, he understood, the first firm to whom Mr. Park was introduced on his arrival in this country. He had received a letter, dated the 24th instant, in reply, and in which this firm stated that the selection of Professor Silliman as the best man to investigate and report on the property had been entirely at their request. The meeting could therefore judge from this letter how far it was true that Professor Silliman had been employed by the vendors. At an interview he had had with Mr. Coates, that gentleman had expressed himself in very flattering terms of the ability and integrity of Professor Silliman.

Mr. Lyon then addressed the meeting at great length, entering into minute details relating to an indefinite claim he had had against the company, in the position of original owner. He owned, in answer to the demand of the meeting, that in his dealings with the company's shares he had sold short, and such, he regretted to say, was his present position. The opinion to be gathered from his observations generally were on the whole decidedly favorable to the company, for he expressed himself, in the course of his remarks, although in rather ambiguous terms, as quite satisfied in regard to the value of the property and of its prospect of future profitable returns.

Mr. Fisher said he held a considerable interest in the company, and had never parted with any of his shares "short." He had delivered the 300 shares alluded to to Mr. Lyon by Mr. Park's order, because he had been given to understand at the time he would have been utterly ruined if he had not thus helped him. He could not express his astonishment he felt when he heard Mr. Lyon calmly confess that he was not a shareholder, and yet had presumed to detain the meeting with such a lengthy speech. Considerable confusion of dispute here ensued in respect to Mr. Lyon being a shareholder or not. It was at length settled that that gentleman was a proprietor, and therefore entitled to be heard. Mr. Fisher then resumed, by asserting that Mr. Johnson's reputation in America never exceeded that of a fourth-class attorney, while Mr. Lyon's occupation had been for the last few years bringing claims against any newly-discovered mine, and in instituting a suit against the company formed to work it. [Laughter]. With regard to his (Lyon's) transactions in the company's shares, he knew for a fact that at the time he was selling short he had gone to Mr. Park and had boldly asserted that he was doing no such thing. Yet later on it appeared too evident, and Lyon had admitted he had done so. Mr. Fisher then called on the meeting to judge of the truth and honesty of this man's intentions, whose endeavors, as he himself alleged, were directed to forwarding the interests of the shareholders, or, as he had asserted at another time, for the honor of his country. [Laughter, and hear, hear.] Although, no doubt, Americans ought to feel highly flattered by such a compliment, he confessed that for himself he did not at all like it. Again, he desired to call the attention of the meeting to the fact that while Mr. Park was here in England, and to be met at every meeting of shareholders, Mr. Lyon had kept his lips closed; but no sooner had that gentleman gone, and was now distant 3,000 miles or more, Mr. Lyon *dared* to bring forward all manner of false and disgraceful assertions. [Hear, hear.]

ome further discussions then ensued, not immediately bearing on the interest of the ompany, and various matters having been raised, they were satisfactorily disposed of y the chairman.

A shareholder then rose and said it was his pleasing duty to move a cordial vote of hanks to Mr. Brydges-Willyams, for having, in the interest of the shareholders gen- rally, undertaken a visit to the company's mines, and for his painstaking endeavor while there to obtain accurate knowledge respecting their property, and for his coming efore the meeting to-day with so distinct and full a statement of his investigation at he mine. This, on being seconded by Mr. Camp, was put to the meeting, and unani- nously carried.

Mr. B. Willyams, after acknowledging the vote of thanks just so warmly accorded, aid he had endeavored, to the best of his ability, to investigate and forward the best nterest of the company. He desired to repeat that, although he had a very high opin- on of the mine before he started for America, and although he fully expected to see a eally great mine, he had been agreeably surprised to find, on reaching the Emma, that his most sanguine estimations of the value and extent of their property had been more han realized, and he might add that he firmly believed the mine had doubled in alue since his visit. [Cheers.] He had purchased shares to some extent at the for- mation of the company, and he intended to hold them. He was particularly desirous to avoid all mention of the value of their property in too sanguine a spirit, as his purpose in appearing before them on the present occasion was merely to furnish them with a few plain statements, yet he could not refrain from repeating, before sitting down, his confident opinion that the mine would be paying larger dividends than were being de- clared at the present time long after all those present in the room were dead and gone.

A vote of thanks to the chairman for his courteous and able conduct in the chair on the present occasion was then proposed and unanimously carried. The compliment having been acknowledged, the meeting terminated.

GEORGE ANDERSON, *Chairman.*

Q. Were you present at the meeting of the shareholders on the 30th of May, 1872?—A. I was present at the meeting, where I denied the statement that was made. I remember the fact very well, though I do not remember the date so well.

Q. I will refresh your memory. Were you present at the shareholders' meeting after Mr. Park left?—A. I think I was. Yes, sir.

Q. Was Mr. Johnson present?—A. I think he was. Yes, sir; I know he was finally.

Q. Was he not sent for and brought to that meeting by this Mr. Wolf who has been spoken of?—A. I do not know by whom he was sent for. I know he came in while I was speaking.

Q. You heard the statements made by Mr. Moscrop there with reference to Professor Silliman, did you not?—A. I did not hear all of Mr. Moscrop's remarks; I was quite a distance from him. I heard the language he used with reference to me more particularly.

Q. Are you able to state that this charge that the vendors knew the mine was exhausted was ever made public previously to the 1st day of October, 1874?—A. That it was made public?

Q. I ask you whether you are able to state that the charge that the vendors knew the mine was exhausted was ever made in any manner public before the 1st of October, 1874.—A. I do not know. I cannot bring to my mind now any circulars calling my attention to it. I recollect that he had made statements of that kind in writing previous to that; but whether they were made public or not, I do not know. I do not recollect seeing them.

Q. Now, can you tell us within $500 how much money you actually invested and paid for your claim to this mine previous to the arrangement of the 18th of August, 1871? I refer, of course, to the contract made for you by Mr. Stewart in New York.—A. I do not believe I can tell you.

Q. Did you pay $500?—A. Up to the time I saw Mr. Stewart?

Q. In New York, of your own money.—A. My own money is money that I borrowed.

Q. Well, of everybody's money, for which you are liable.—A. Yes, sir, I did.

Q. You paid $500?—A. Yes, sir.

Mr HEWITT. Does he limit it to $500? Let us understand that; you are leaving it in that condition.

Mr. CHITTENDEN. Perhaps I ought not. State the sum which you at that time had paid in, as near as you can, and to whom you paid it.

The WITNESS. I paid some money out for the Saint Louis title, but that was more in the interest of Mr. Chaffee than myself; but still I got that money of him. I cannot state to you how much that was. I forget now. Do you mean how much I paid on the mine in the working of it?

Q. I mean how much you were out of pocket on the 18th of August for your investment in this mine.—A. I was not out of pocket myself individually more, probably, than $500. Yes, sir, and expenses—more than that; I should think I expended more than $1,500.

Q. What do you mean? Your personal expenses to and from Utah?—A. Yes, sir; and another gentleman with me, and working out there.

Q. Now you got, for that, $250,000 we understand?—A. No, I do not understand that.

Q. Did you not receive on the first sale $150,000?—A. Yes, sir.

Q. And then $50,000 that was going to Mr. Stewart?

The WITNESS. That was going to Mr. Stewart?

Mr. CHITTENDEN. Yes, sir.

The WITNESS. I do not understand. What do you mean by that?

Mr. CHITTENDEN. Well, that is clear enough as it is; and then afterward Mr. Park paid you $50,000.

The WITNESS. Yes, sir; Mr. Park paid me $50,000 afterward for some interest in the mine and ore taken out, as well as a claim against Mr. Stewart and Mr. Hillyer.

Q. Why did you not mention this $50,000 paid by Mr. Park in your direct examination here?—A. It had no reference to my contract whatever—the $50,000 had not.

Q. None whatever?—A. None whatever; that is the claim against Mr. Park. Mr. Park very well knew that it had been discussed between himself and me on several occasions, my claim against the parties for some ore taken out that this contract of settlement did not cover, and Mr. Park offered me five thousand pounds for it, independently of any claim against Mr. Stewart and Mr. Hillyer, or anything of that kind, the first offer he made me. On that occasion, Mr. Park and I had considerable conversation, and in that conversation about this claim for the ore the Stewart and Hillyer matter was discussed, and I felt very cross about how things had been going on, and how things looked to me from that stand-point, and Mr. Park and I discussed the thing for some considerable time. I asked ten thousand pounds for this claim, and I had told Mr. Chaffee to go to Mr. Stewart and see him about that claim. I had written to Mr. Chaffee that the claim was worth $50,000. Mr. Chaffee called on Mr. Stewart, and Mr. Stewart referred him to Mr. Hillyer, he told me. That is all the satisfaction I could get out of him about it. I think I repeated the same thing to Mr. Park, and finally Mr. Park drew up three contracts. One of them he had me assign to Mr. Stewart (I think it was to Mr. Stewart) for the ore, the claim that I had against the original parties for ore taken out, which was supposed to be covered by my contract of settlement made with Mr. Stewart in New York. I cannot remember the words of the contract, but my impression now is, from

memory, that it was assigned to Mr. Stewart. Mr. Park suggested that course, and he asked another paper from me, and my recollection now is that it was a deed of what he called the Saint Louis lode. He thought they might get into litigation with the company. My memory is that that was transferred to the mining company. I am not clear about that, but it is my present impression. Then he drew up an assignment covering my claim against Stewart and Hillyer. The ten thousand pounds represented the entire thing, and Mr. Park, I see, since I have seen the contract, has incorporated the whole ten thousand pounds in the contract with Mr. Stewart, with reference to him; I never knew what that was for, but I suppose when he came here that it was to make Mr. Stewart pay it, and put it all upon that ground. But I do not know anything about it; it is only supposition. What his object was in doing it I cannot really tell you.

Q. My point is only this, that you received that $50,000.—A. Yes, sir; I received $200,000.

Q. In respect of your claim to this mine?—A. Yes, sir.

Q. You were aware that a change took place in the officers of this Emma Mining Company in the summer or the early autumn of 1874, when Mr. Chairman Anderson went out and Chairman Gardiner came in?—A. No, sir; I was not familiar with that business at that time.

Q. After you came home from Europe to this country did Mr. Chairman Gardiner and Mr. Solicitor Turner come over here and have an interview with you?—A. Yes, sir; they were here when I came here.

Q. At that interview did you communicate to them this letter of Stewart of August 5, 1871?—A. I do not know but I did; I think I did.

Q. About that time did you give your statement to Mr. McFarland of what you knew about this matter, your statement being taken down by a stenographer, within a few months of that time?—A. Yes, sir; I wrote about that time.

Q. And shortly afterward was a suit commenced against Park and Baxter?—A. It runs in my mind now that that suit was commenced.

By Mr. HEWITT:

Q. That it had already been commenced?—A. Yes, sir; I think so. My impression was that the suit had been commenced.

By Mr. CHITTENDEN:

Q. If it had been commenced it had been commenced shortly before?—A. Yes, sir.

Q. Now, sir, about that time did you also dictate your story to some person connected with the New York Tribune, or within a few months of that time? I am not very particular about the time.—A. My present recollection is that it was a very long time after that, but I may be mistaken.

Q. Did you not state in New York that it was during that winter?—A. It seems to me now that the only statement I made to the New York Tribune was made within the last six months. I can tell the exact date by going to my room. I cannot tell it here.

Q. In the winter of 1874–'75 did you have a conversation with Mr. O. A. Gager, at the Saint Nicholas Hotel, or in the neighborhood of it?—A. In 1874–'75?

Q. Yes; that winter; 1874–'75, I mean.—A. I do not now recollect seeing Mr. Gager.

Q. Did you not tell Mr. Gager that you wished him to tell Mr. Park

that you had sent your story to the New York Tribune; that it was in print, but that they would not publish it until they heard from you, and that you wished to see Mr. Park?—A. No, sir; I should say not. I do not believe that I did.

Q. Was there any such conversation in the winter of 1875-'76 between yourself and Mr. Gager?—A. No, sir; I think not of that character; I do not recollect anything of that kind; I can only recollect of meeting Mr. Gager this last winter, within the past two or three months, I should think. I do not recollect having any conversation with him until within the last three months.

Q. On the 22d of February, 1875, did you send this telegram to Mr. Stewart:

NEW YORK, *February* 22, 1875.

Hon. W. M. STEWART:

It is important that we should have an interview. Will come over if agreeable. Answer.

A. I guess I did, sir.

Q. At that date were you under a subpœna to give your evidence in New York?—A. I do not think I was.

Q. Do you feel pretty certain about that?—A. I think I was not.

Q. Did you write a letter to Mr. Stewart, dated New York, March 5, 1875, containing these two passages: "I have no reply to my letter or telegram. I now conclude you do not intend to recognize my demand, which is nearly $200,000."—A. I have read the letter. It is all right, sir.

Q. (Reading.) "Now, Mr. Stewart, you know I told the truth, and I can find men that know many things as well. I shall give a brief statement to the New York papers to-day, and, with your letters and the contract, you will be able to see how the matter appears to me." You wrote that?—A. Yes, sir.

Q. At that time, were you under subpœna to give your testimony in New York?—A. I do not think I was. What is the date of that letter?

Q. It is March 5, 1875. Between March 5, 1875, and the time when you gave your testimony, did you receive any communication by telegraph or letter from Mr. Stewart?—A. I do not recollect the dates. I had a telegram from him; that is all I had from him.

Q. As I understand you, before leaving Utah in the summer of 1871, Mr. Stewart informed you that this mine was pretty much worked out. Is that the effect of what you have sworn here?—A. The substance of it. The mine was weakening.

Q. In your letter to Stewart of February 28, you say: "You will surely not forget one conversation we had before you left for Utah, when I told you the mine was almost worked out." Did you so tell him?—A. I presume I did, sir. If I wrote it so, I presume I told him.

Q. And you told him that, when he knew perfectly well that such was the fact. Is that what you mean?—A. Well, I think that is the impression—that he knew just as well as I did the condition.

Q. We may as well follow up that point now. It appears very clearly that about the middle of July, 1871, an order was obtained at your instance for the survey of this mine by experts. Who were the persons that, in your behalf, at that time, in July, after the 15th of July, 1871, went up and, as you have stated in your testimony, spent nearly a week in and about that mine?—A. Mr. Wilder was one of them, I believe, and Mr. Almy was another.

Q. Was Mr. H. B. Murray another?—A. I do not recollect.

Q. Do you know that gentleman?—A. Yes, sir.

Q. Is he a mining-engineer?—A. No, sir; that is, not to my knowl-
ge.
Q. Is he an expert in mining?—A. I do not know that he has had
ch experience in mining.
Q. Did you pay him for his services at that time?—A. I do not
ollect that Mr. Murray went up. If he did, I paid him for his serv-
s.
Q. Was there a brother of Mr. Hillyer in that party?—A. I believe
t there was.
Q. And in your interest?—A. Yes, sir; I do not know, though, I
uld not say positively, that he was in the mine with the surveyors.
o not know that he was.
Q. You were in there yourself?—A. No, sir; I was not there.
Q. You never were in this mine after you left it in 1868, were you?—
No, sir; I could not get in it.
Q. You have never been in it to this day?—A. No, sir; I could not
t in it.
Q. And all you know of it is from the statements of others?—A.
erything.
Q. These gentlemen in your interest, you say, spent nearly a week in
t mine. Did they tell you that the mine showed signs of weakening
exhaustion?—A. I do not know now what they did say. I have
lly forgotten. They were not in the mine for the purpose of ascer-
ning its value.
Q. I do not care what the purpose was. They were there for some
rpose, and, you say, spent nearly a week out there.—A. My under-
nding was that they were in there making a survey of the mine to
the courses and directions of it. It was not to find out how much
there was there. That was not the point.
Q. Now, Mr. Lyon, I wish to ask you this question: Whether all that
ty, when they came back and reported in July or August, 1871, to
rself, to Mr. Stewart, to Mr. Hillyer, and Mr. Hempstead, did not
agree that this was the richest mine that they had ever seen?—A.
at is beyond any recollection I have, sir.
Q. You do not remember anything of the kind?—A. I do not, sir.
Q. Did not Mr. Wilder or Mr. Colbath tell you, or Mr. Stewart and
Hillyer, in your presence, that in his opinion that mine was worth
re than $5,000,000?—A. I have not the slightest recollection of one
gle word of that conversation, neither do I believe that that conver-
ion occurred.
Q. Will you swear that he did not so state?—A. I think I will swear
t I have no recollection; neither do I believe that he made any state-
nt of that kind.
Q. Do I understand you, then, that you are not willing positively to
ny it?—A. I do not believe one word of it.
Adjourned.

WASHINGTON, D. C., *April* 3, 1876.

Cross-examination of JAMES E. LYON continued.

The WITNESS. Before commencing any further cross-examination to-
y, I wish to make some statement explanatory of what occurred on
turday, with reference to one or two items in my testimony. I have
en refreshing my memory as to dates. I find that instead of visiting
lt Lake in the spring of 1870, it was about the first of September or

the last of August that I did so. It was subsequent to the preliminary examination (that was referred to on Saturday last) before Judge Brady, of New York, which was on the 22d July, 1870, as I am informed. Therefore, I did not know of the value of this mine until I had visited Salt Lake and found that they were working on the identical lode in which I had previously obtained an interest. This would make my testimony in reference to that examination perfectly consistent.

Now, I wish to say in regard to the conversation with Mr. Gager, I find that I had a conversation with Mr. Gager in the St. Nicholas Hotel within the last three months. Then, as to a circular being published with regard to the value of this property previous to 1874, I have seen the printed circular.

By Mr. WILLIAMS:

Q. Then, as you testify now, you were away from Salt Lake nearly two years after the fall of 1868?—A. Yes; nearly two years.

By Mr. CHITTENDEN:

Q. Is that all you have to explain?—A. That is all.

Q. Since Saturday we have communicated with Salt Lake, and have received information by telegraph that you arrived there on the 22d of May, 1870. Is our information correct?—A. That was my first impression; and now I will say in answer to that, that I telegraphed to the St. Nicholas Hotel to ascertain at what time during the season of 1870 I left there to go to Salt Lake, and they have telegraphed me in reply that I left there on the 11th August. I had no papers or anything of that kind with me. But it is not impossible that I may have made a second trip there. I did not mean to misstate it. If that is the case I did make a second trip there.

Q. I want you to comprehend my question, because I wish to fix this date certainly. We have communicated with Salt Lake since Saturday last, and have received telegraphic information from there that you arrived in Salt Lake on the 22d of May, 1870. Did you arrive there at or about that time?—A. I do not know. As I say, I telegraphed to the Saint Nicholas Hotel, New York, on Saturday, and they said that I left that house to go west on August 11, 1870. I am willing to say that perhaps I went out a second time.

Q. Then you will not swear that you were not in Salt Lake as early as May 23, 1870?—A. No, sir, I will not. My first impression is that I was there in the spring, but in a conversation with Mr. Johnson he satisfied me that I was mistaken. Then I telegraphed to the Saint Nicholas, in order to be accurate about it, and that is the answer which I received. I am now inclined to believe that my first impression was correct, and that I was in Salt Lake in the spring of 1870.

Q. Then you did not swear before Judge Brady until after you went to Salt Lake?—A. Not if I was out there in May. There is one misstatement which I wish to correct. I am reported to have said that I owed that judgment when I went to Europe. I wish to make a statement there. That judgment was appealed to the supreme court of New York, where it was argued by Judge Davis, and the judgment was set aside. Then it was brought to the court of appeals, where Mr. Johnson argued it, and the judgment of the supreme court was confirmed; so that when I went to Europe I did not owe that judgment.

Q. Do you owe it now?—A. No, sir; it has been set aside, with costs, by the court of appeals.

Q. And a new trial ordered, I suppose?—A. No, sir; there was no new trial ordered. The other parties appealed, with the stipulation

that the judgment should be final. The case went to the court of appeals, and the judgment of the supreme court was confirmed, and the opposite party had to pay the costs.

Q. Did you, when you went to Europe, owe unsatisfied judgments to the extent of about or over $50,000, exclusive of the Strong judgment? —A. I do not know that I did.

Q. Did you owe a judgment recovered against you in Salt Lake?—A. I do not know of any judgment that was recovered against me in Salt Lake at that time.

Q. A judgment in favor of one Field?—A. I think he had not recovered judgment at that time.

Q. You were examined in New York as to the time that you went to Salt Lake?—A. Yes; I thought that I stated in New York that I went to Salt Lake in the spring, and I have been thinking so since, and as you have a telegram to that effect, I am more confirmed in my opinion that I did go to Salt Lake in the spring.

By Mr. WILLIAMS:

Q. Was it not that spring that you saw Senator Morton on the train? —A. No, sir; it was the next year, 1871.

By Mr. CHITTENDEN:

Q. Didn't you swear in your New York examination that Mr. Johnson was not your counsel or attorney in London?—A. You may construe it that he was not my attorney, for I had no legal business to do. If I had had any legal business to do, he would have been my counsel; but I did not have any legal business in London, and therefore he was not my counsel or attorney.

Q. I will read an abstract from your examination:

Interrogatory No. 1402. Q. How soon after Mr. Stewart left England did Hiram Johnson come there?—A. Mr. Johnson was in England before I came there. He had been there six months, I should think, or more—nearly a year.

1403—Q. You had known him previously, had you?—A. Yes.

1404—Q. Had he been your counsel?—A. Yes, sir.

1405—Q. Did you occupy in London the same office with him?—A. He had an office in London; I went in there often to his office, but I had no office there.

1406—Q. Had you an office anywhere else?—A. I went into other offices besides. It was not his office, it was another gentleman's office, and Mr. Johnson was in his office a great deal of the time.

1407—Q. Wasn't that where you used to date your letters from?—A. I do not know; I have dated some from that office, probably, and some from the hotel.

1408—Q. Was that the place where you used to be found while in the city?—A. A good deal of the time.

1409—Q. Was Mr. Johnson your counsel while you were in London?—A. I did not consider him so.

1410—Q. Were you introduced by Mr. Johnson to other parties as his client in the matters of the Emma Mine?—A. Mr. Johnson probably may have used that language, but Mr. Johnson was not my counsel. He may have used that language in introducing me; I have heard him tell gentlemen in my presence that he was my attorney in the Emma Mine, and he was at one time.

1411.—Q. Did he make that distinction in introducing you, that you had been his client?—A. I have no remembrance of Mr. Johnson introducing me to anybody, using that language, though he may have done it.

1412.—Q. Was it not perfectly well understood that Mr. Johnson was your counsel in London?—A. It was understood by Mr. Johnson and myself that Mr. Johnson was not my counsel while I was in London. What other people understood I have no knowledge at all. I have heard Mr. Johnson make that statement, as I say, in my presence.

I will now ask whether you had a conversation with Mr. Gager within a few months at or near the Saint Nicholas Hotel, in New York? —A. I had, in the Saint Nicholas Hotel.

Q. Did you ask Mr. Gager if he had read your story or history of the Emma Mine?—A. No, sir; I think not.

Q. Did he tell you that he had read a portion of your story or history, and personally knew much of it to be false?—A. He did not.

Q. Did you tell him that no one could be expected to recollect everything accurately after three or four years?—A. I should judge that I had no such conversation with Mr. Gager.

Q. Didn't you tell him that you had given your story to the Tribune, and that it was in type but would not be published until you gave the word?—A. I do not think I did.

Q. Did you tell him, in the same conversation, that you wanted to see Mr. Park?—A. I did not.

Q. Did he tell you in reply that he didn't know that Mr. Park would see you, but that he would tell Mr. Park of your request?—A. He did not.

Q. Do you desire to give any further explanation of that conversation?

The WITNESS. Shall I state the conversation which took place as nearly as I can?

Mr. CHITTENDEN. I do not ask you; if you wish to state it you are at liberty to do so.

A. Mr. Gager came to the Saint Nicholas Hotel and shook hands with me very pleasantly, which is the only time that I have any recollection of any conversation with him (in fact I am positive it is the only conversation I have had with him) since I came from Europe. I should think it was within the last three months. The conversation commenced almost immediately about the Emma Mine, and its difficulties and troubles. Mr. Gager said that the whole of the difficulties had grown out of my relations with Mr. Stewart. He stated that Mr. Park told him that Mr. Stewart had cheated me; that Mr. Park said that Mr. Stewart was a rascal, and that Stewart owed me $300,000. Gager said that he told Mr. Park that if he, Gager, had been there at the time the settlement was made, no such difficulty would ever have taken place. Mr. Gager said to me, "You are the first man who I would have seen was properly settled with. I am satisfied, Mr. Lyon, that your statement about that settlement was correct. I think that you were wronged there, and I am very sorry that I was absent. All this difficulty has grown out of that. If I could get you and Park together and have an explanation of that matter I should be very glad." That is about the substance of the conversation. There was considerable more of it of the same character. He described to me about selling some of Park's shares in London, (the last shares that were sold,) and about Mr. Park's lending the money to pay the dividends; and that about all the business which he did for Mr. Park in London was to close out the last six thousand shares, which he said he had done at £24 or £25 per share. I asked him if Park had paid him pretty well for it. He said that he didn't charge Park anything for his services. "Well," said I, "that was pretty cheap; you did him good service." He said, "He gave my wife a house and lot in Brooklyn for my services, and I was very well satisfied." We had a good deal of conversation of that character. On no occasion did Mr. Gager express an opinion different in any way from what he had expressed about Mr. Stewart having wronged me, and that Mr. Stewart was the cause of these difficulties. He said that Mr. Park had told him so, and that he was very sorry that he, Gager, was not present when the settlement was made. He was trying to show me that Park had nothing to do with it; that it was Mr. Stewart's fault and not Park's. Said

"One of those gentlemen could not wrong me alone." The circumstan- ı and representations were such about this matter, to get my signa- 'e for $150,000—that there was no cash on hand to divide, and that ıy were in such a desperate condition—that I was obliged to take that get nothing. Mr. Gager said, "Mr. Park says that he didn't have any ıd in doing this." I said, "These are the facts, and that is why I blame . Park for not protecting me, and for aiding Stewart." There was ısiderable conversation between Mr. Gager and myself, of this kind, t that was about the substance of it. Mr. Gager then asked me to lk out with him, and I went with him to where he took the cars on osby street, I believe. He said that he was going to see Mr. Park, d see whether he could not get Park and me together to discuss this tter.

By Mr. WILLIAMS:

Q. How nearly can you fix the date of this conversation?—A. It was ım two to three months ago—within the last three months.

By Mr. CHITTENDEN:

Q. When Mr. Park and Mr. Stewart went to England, in September, 71, did you not know that they were going there to sell the mine der contract of August 18, printed on page 7 of your testimony? A. I did. I knew that Mr. Park was going there to sell it with Mr. ewart.

Q. Did you then know that they were going to England to sell an hausted mine?—A. I knew that Mr. Park was going to sell a mine so exhausted, according to Mr. Park's own statement to me, that there ıs not over $250,000 worth of ore developed in the mine.

Q. And at that time, if we understand you, you expected to receive 00,000 under that contract?—A. Not for the sale of that mine.

Q. I ask you if you expected to receive $500,000 under that con- ıct.—A. I expected, when Park was allowed to sell the mine, that I ould get $500,000 for all my claim—for the ore taken out of the mine well as for everything else. My contract was based on the ore that d come out of the mine, and not on the sale of the mine.

Q. Am I correct in inferring from your testimony on pages 12 ıd 13, that when you arrived in England you understood that is mine had been put on the market at £1,000,000 sterling?—A. Yes, 1,000,000 in cash and stock.

Q. At the time of your arrival, had either Mr. Park or Mr. Stewart ceived any money, to your knowledge, on account of that sale?— . I cannot say, of my own knowledge, that they had.

Q. I understand that you agreed to sell your claim for $200,000, of hich you were to receive $150,000, and $50,000 was to go to Mr. Stew- t. Is that so?—A. Yes, that is correct.

Q. They paid you £1,000, didn't they?—A. Yes.

Q. And, if I correctly understand your testimony, the rest was not be paid until Mr. Stewart went to New York to ascertain whether he ould settle with the American shareholders. Was that so?—A. I will xplain that. Mr. Stewart wanted to go to New York to get an option, to buy the interests of the American shareholders.

Q. That contract was dated in New York on the 9th December?—A. es.

Q. How long was it after that contract before you received the pay- ent of your $150,000? Did you receive the last of it before the 15th January?—A. I don't believe I did. It would seem to me that it

was after the 15th of January before I got the last of it. I am not positive about that.

Q. When you got there, (if I correctly appreciate your testimony,) about the 20th of November, you observed that Park and Stewart were committing a fraud upon the British public, did you?—A. I believed it most emphatically.

Q. Between the 20th of November and the 15th of January (during those two months) did you take any measures to inform the British public of that fraud?—A. I am sure that I did not.

Q. Why did you not?—A. I was not there for that purpose.

Q. You did not consider it your duty?—A. No, sir; it was not my business; I did not go on any such business.

Q. How long was it after you got your pay before you entered on this enterprise of informing the British public about this fraud?—A. I should think that the first publication or communication of mine must have been in the spring, at the meeting spoken of.

Q. In the month of March?—A. Not in March, but as late as May.

Q. How early did Mr. Johnson begin?—A. I cannot tell you; I am not reliable as to dates.

Q. That meeting in May was after Mr. Park left, was it not?—A. Yes.

Q. You cannot fix the date when Mr. Johnson first came to make this publication, can you?—A. It seems to me that it was in April.

Q. A gentleman of the committee, in putting an inquiry to General Schenck, stated that evidence had been given here of large transactions in Emma shares between November 28, 1871, (the date of Mr. Fish's telegram to General Schenck,) and the 12th January, 1871, when General Schenck's resignation as director became public. State whether you gave any such evidence.—A. I do not now recollect. I presume there were transactions. I do not recollect what evidence I gave on the subject.

Q. I have not asked you about your belief. I asked if you have given any such evidence here, and, if so, I wish you to point it out.—A. I do not recollect having done so.

Q. You cannot point it out, can you?—A. I would have to look over my testimony.

Mr. CHITTENDEN. I will tell you frankly that I don't find it, and I do not think you have given any such testimony. The first allotment, of the 25,000 shares, was on the 20th November, 1871. The second allotment, of the 8,500 shares, was on the 15th April, 1872. Between those dates have you any knowledge that Mr. Park bought or sold one share of Emma stock?—A. I think I have.

Q. What is it? I wish you to understand that I have the record here.—A. I do not care anything about your record. You asked me a question, and I am going to answer it.

Q. Very well; if you have such information, I wish you to state it.—A. I wish to state that Cyrus M. Fisher was visiting Mr. Park's office quite often. Mr. Park made his office where his room was, at 45 Albemarle street. From the conversation between these two gentlemen it was evident that Mr. Park was dealing, was manipulating the shares, both buying and selling. Mr. Fisher would come in for money from Park, and they would talk about transactions and about bank-accounts. I recollect that on one occasion a thousand shares of the stock was offered at the stock-exchange, and Mr. Fisher was running about to find some one to take them. He could not find Mr. Park, and he was very much excited about it. I think he went to Mr. Goldring about

it, and he did not find anybody to take the shares. I think I talked with Mr. Park before he saw Fisher, and told him that I thought Fisher was very foolish in running about in that kind of style. Park found some fault with Fisher, for talking outside about the matter. There were quite a number of conversations between Park and Fisher. Park told me himself that he bought some shares, and he advised me to buy some when the stock was at £14 or £15 a share. That was about the time that these men, Brydges-Willyams, Silliman, and Stewart, went to examine the mine. The stock fell either before their going or after they had gone, and Park said that he had bought some of the stock and he advised me to buy some.

Q. Do you swear that between those dates Mr. Park told you that he had bought a share of Emma stock?—A. I swear that, from the conversations that occurred between Fisher and Park, I have not the slightest doubt about it.

Q. Come to one thing at a time. I wish you to state distinctly what you mean when you say that Park told you between those dates that he had bought or sold a share of Emma stock.—A. I mean that Mr. Fisher came in and got money from Park on two or three occasions to pay for stock which he had bought for Park, and Park did not deny it.

Q. My question is whether you are willing to swear that between the 20th of November and the 15th of April Mr. Park ever told you, or told any one else in your presence, that he had bought or sold any Emma shares.—A. I answer that question in this way, that I believe Mr. Park has said in my presence that he had bought Emma shares within those dates, and further, that Mr. Fisher called at Mr. Park's office to get money of Park for shares which he had purchased on account of Park, and that Park gave him checks.

Q. Between those dates?—A. Between those dates, I think. That is my memory.

Q. You have already stated that you were present at the first shareholders' meeting on the 7th of March. Did not Mr. Park there state that when he was applied to about those 8,500 shares, and ever since, he had stated that he would not sell a share of stock until the mine had been examined by the English directors? Did you not hear him make that statement publicly on the 7th of March?—A. Yes; and privately, too.

Q. And do you now say that during that very time covered by his statement you have information that he was buying and selling shares?—A. I do. I saw him sell shares.

Q. Where?—A. In his own office.

Q. When?—A. After the 20th of November and before April.

Q. To whom?—A. To Mr. John Stanley, one of the directors of the Emma Mine Company.

Q. You understood my question to mean buying and selling shares in the market?—A. No, sir. You did not ask me any such question.

Q. Was that sale concluded before the report came back from Brydges-Willyams and others?—A. I should believe it was. I am not positive on that point.

Q. I notice that you have made a statement here about your taking an application for shares for General Schenck from Mr. Park to the London and Westminster Bank.—A. Allow me here one word more in reference to the buying and selling of shares. Perhaps you did not mean that they should be included in the conversation with Mr. Park. It was after the 20th of November. Mr. Park said that they had to buy back a large amount of this stock of the first 25,000 shares, in order to

affect the British public. He said that they would have to buy back a many as 5,000 shares; that Mr. Grant had notified him to that effec Shortly afterward Mr. Park was going to Paris, and he stated that M Grant said that it would call for about $500,000 to pay for the sto which Mr. Grant had been purchasing back under their contract to susta the market. Mr. Park said that he had to furnish the principal for £20 p share, and that the premium Mr. Grant was to pay. Mr. Park said th he had left that much, or was to leave that much, with Mr. Grant 5,000 shares, which would amount to about $500,000.

Q. Now about this application for 8,500 shares. You were examin on that subject in New York, were you not?—A. Yes; I believe I w

Q. Did you not swear that this application was made by you early the morning of the first day that these shares were offered to the pu lic?—A. My memory was at that time that it was the first day, bu have been told since (or I have learned in some way since) that books were already opened, and that that was the last day. I belie testified that it was the first day, but I think I may have been mistak I do not know that I was. At all events, I believe that the books clo the day I offered that subscription.

Q. You made that discovery when I showed you in New York circular which offered those shares to the old subscribers, did not y —A. I do not recollect; I got it in some way.

Q. You there swore that the Willyams, Silliman, and Hussey patch was shown to you the evening before the books were open didn't you?—A. The evening before the books opened, on Satur morning, as it would appear to me now.

Q. I am now asking you about what you swore in New York?—A believed in New York that I was correct when I said that the bo opened on the 6th; but it is possible that I am mistaken on that po If I stated that I saw the dispatch of Silliman, Willyams, and Hus on the 5th, the day before the books were opened, I had reference to books being opened on the Saturday morning.

Q. In your examination in New York, did you not intentionally ca the impression that the Willyams, Silliman, and Hussey dispatch timed to arrive in London just about the time that the subscript opened?—A. No, sir; I had not the intention to mislead anybody that statement.

Q. Did not you also state in New York that Mr. Park saw you night before, and that he wished you to be very particular and to down to the London and Westminster Bank, so that General Schenc subscription could be put in as the first subscription after the boo opened?—A. I will give you the language which Park used.

Q. I am asking you whether you did not so swear in New York.—A do not know what I swore in New York. I will state what Park said that occasion.

Mr. CHITTENDEN. I do not ask you that.

The WITNESS. I do not know the very language that I used in N York.

Mr. CHITTENDEN. I will call your attention to the language.

Mr. Chittenden here read to the witness interrogatories and repli from number 212 to 231, and on the cross-examination from interrog tory number 1919 to number 2100, as follows:

212. Do you recollect when it was that some 8,500 shares were offered for subscri tion at the London and Westminster Bank?—A. Yes, sir.

213. What was the time?—A. In April, 1872.

214. Can you give the date?—A. The books were *to be opened* at the London a Westminster Bank, according to my recollection, on the 6th day of April, 1872.

215. Did Mr. Park *before the opening of* these books, and if so, how long before, exhibit
› you a dispatch purporting to have been received from Messrs. Hussey, Willyams, and
illiman?—A. The evening before, on the 5th of April, he showed me a dispatch of that
ind.

221. Now, were these books of subscription opened at the London and Westminster
Bank on the 6th of April, according to the programme?—A. Yes, sir; I believe they
were.

222. Were the shares which were offered for subscription offered to the public gen-
rally, or to the shareholders?—A. Shareholders.

226. Did you have any conversation with Mr. Park on the morning on which this
ubscription *was opened* on the subject of General Schenck's subscription to these
hares?—A. I did.

227. Where?—A. *At his office.*

231. State what that conversation was as near as you can recollect?—A. On the
orning of the 6th of April Mr. Park said he wished me to take down to the London
nd Westminster Bank an application from General Schenck for 500 shares of the
mma Mining Company stock, which he gave me in blank signed by General Schenck,
nd at the same time he told me that he wished me to take down Bank of England
otes, and that he would give me his check, but that I must be sure and not to use his
heck, as if I did they could trace the transaction. He wished me to be there promptly
hen the bank opened, as that subscription would have an influence upon the English
ubscribers all day.

1919. At what time did you reach the bank?—A. Early in the morning.

1920. How early?—A. I believe the bank opened about 10 o'clock; ten or half past
en at all events I should think I was there.

1932. Was this the first subscription made?—A. No, sir; I saw several gentlemen
tanding around the desk there where the subscription-book was open. I think Mr.
Butler pointed off toward the desk.

2077. Please state what Mr. Park told you on that subject?—A. I don't remember
ll that Mr. Park said to me on that subject; but Mr. Park told me that the books
ere to be opened on such a day, the 6th of April, for between 8,000 and 9,000 shares of
tock, to receive subscriptions for £23 per share, £5 down, and the balance within
en or twelve days afterward, to the stockholders only.

2079. You understood, did you, that Mr. Park's purpose was, by this subscription of
eneral Schenck, to influence other subscriptions to that stock?—A. I did, sir.

2097. When did the books close for this subscription?—A. My recollection is that
ey were to be closed in ten or twelve days from the time they were opened; and the
ason that Mr. Park gave for closing them so soon was he didn't want to keep the
ock up in the stock-exchange to £24.

2100. Would it surprise you any to learn that that subscription opened on Monday,
e 1st day of April?—A. Yes, sir; I think it would. It would be contrary to my recol-
ction; that is all I can say.

2101. Would it surprise you any to learn that it closed on Saturday, the 6th day of
pril, the day you say you made Schenck's subscription?—A. Yes, sir; it would sur-
ise me. It would be contrary to my recollection.

2102. Would it surprise you to learn that General Schenck's subscription was among
e very last received in that 8,000 shares?—A. Yes, sir; I should say so.

2103. Look at the paper now shown you, marked defendant's exhibit No. 2, June 23,
75, and state whether that is the circular that was issued by the Emma Mining Com-
any for the subscription to that stock to which you have testified?—A. I should judge
at was the circular I saw on that occasion.

2104. And after reading that do you persist in your statement that the books were
pened on the 6th day of April, at the London and Westminster Bank, for the sub-
cription of that stock?—A. That is my impression still.

2105. You think you are not mistaken about it?—A. I think I am not.

2106. Did you ever see any other notice than that for that subscription?—A. I don't
ecollect; as I told you, I don't distinctly remember about it.

2107. Please notice my question. Do you recollect of having seen any other notice
or that subscription than the paper now shown you?—A. I have answered you that I
don't recollect that I have.

Q. Now you swear, however, that this application was carried down the day that the subscription closed, do you?—A. I have learned that the subscription closed on the 6th.

Q. Now state, in view of that, what Mr. Park said to you, before you went there, on the subject of General Schenck's subscription influencing others?—A. The same language which I used on that occasion I use now.

Q. That he wanted you to be there the morning the subscription

opened?—A. The next morning, the 6th of April. I did not know tha there had been a share of stock subscribed, for Mr. Park requested m to ask how the thing looked down there.

Q. Were you at that time a shareholder in the Emma Mining Con pany?—A. I do not know that I owned a share then.

Q. Did you not swear in New York that you did own shares, and th you received this circular?—A. I do not know that I did. If I did, was true. I did own some shares at one time, but at what time I own them, and at what time I sold them, I do not now recollect. I think owned a little stock of the Emma Mining Company some time when t shares were about £20 a share; at least when they were at £14 I own some. At one time they were at £14, and I am quite sure that I own some then. Whether I owned any on the day that that circular w out, I am not certain.

Let me explain a little about these ten or twelve days, in regard this application on the 6th of April. These ten or twelve days mea according to my mind, that Mr. Park was exacting, on the day the plication for subscriptions was made, £5 per share to be paid down the application, and the balance, £18 a share, to be paid in a few da My impression is that it was to be paid within some weeks, I should some ten or twelve days. Park was buying shares, or dealing in sha or was manipulating the market so as to keep the stock on the sto exchange at £24 per share, so that these shares would be all subscri for, and in order to induce the people to pay in the balance of the £ He did not want to keep up the price any longer than that.

Q. What knowledge have you that before the 15th of April Mr. P bought any Emma shares, or did anything else to affect the market A. Mr. Park told me himself that he was keeping up the market.

Q. That is the only knowledge you have?—A. I think I saw Fisher back and forth there.

Q. Nothing else?—A. That is enough.

Q. Would it surprise you any to learn that during that time Mr. P did not buy a share of the Emma stock?—A. I am not able to say. did not see him buy any, nor did I see him sell any, between the 1st April and the 15th.

Q. That was the very time when those books were opened, and wl you say he was manipulating the market?—A. I say that he told so, that he was keeping the stock at £24 per share, and that he wan the payment for the stock subscribed to be in in as short a time as sible, as he did not want to be sustaining the market.

Q. Did he tell you he was buying shares?—A. He told me he manipulating the market, and that meant buying shares.

Q. It was just the same as saying that he was buying shares to that he was keeping up the market?—A. Just the same, and he mi as well have said so in so many words. Mr. Park gave me a letter give to the secretary of the Emma Mining Company. He was desir that I should go there and use the names of other people, friend mine, whom I could get to go to the London and Westminster B and make subscriptions for stock, as nobody could get any but sh holders. He was very desirous that I should go there and get a nu ber of names, as he wanted to swell the subscription to as large amount as he could. He said that he would even furnish the money aid me, or would go in on joint account with me in doing it. I h got his letter now.

Q. Where is that letter?

Witness produces and reads the letter referred to, as follows:

APRIL 5, 1872.

W. H. TOOKE, Esq, *Secret'y Emma Mine Co.:*

DEAR SIR: Please show the bearer, Mr. Lyon, the list of shareholders, and give him any information & acc'd he desires.

Very truly, yours,
(Signed) T. W. PARK.

Envelope addressed:
W. H. TOOKE, Esq., *E. S. M. Company.*

Q. Did it occur to you to ask Mr. Park, if he was so anxious to keep up this market, why he did not offer these 8,500 shares to general subscription instead of confining the subscription to the shareholders?—A. I can give you my idea why he wanted to confine it to the shareholders.

Q. I ask you if you asked Mr. Park that question. I do not want your speculations. Did you ask Mr. Park why those shares were not offered to the general public instead of being confined to the shareholders?—A. I knew from the conversations which Mr. Park and I had, that he was desirous of fixing these shares for the shareholders only, for the express purpose of leaving the market outside to speculators and other parties—the public market. That was one of the inducements in order to make it desirable, not to give other parties an opportunity of subscribing, and conveying the impression that he was only giving it to his friends. That is the conversation that I had with Mr. Park. He used language to convince me to that effect, and we understood it together, that that was the object of confining that subscription to shareholders only.

Q. Did Mr. Park tell you so?—A. I certainly think he did. I know that he did.

Q. Was the offer of these 8,500 shares in any manner advertised except by the circular to the stockholders?—A. I have no recollection on that subject.

Q. Do I understand you to have sworn before this committee that Mr. Park ever told you that he gave any shares, or anything else to General Schenck to induce him to become connected officially with this company?—A. I have never so stated it, I believe. I have no recollection that Mr. Park ever said to me that he gave General Schenck stock to become a director in this Emma Mining Company, and I do not think he ever did tell me so plainly, using that language.

Q. I will now read to you question 2509 in your New York examination:

Q. Did you, at any time, have any conversation with the defendant, Park, and, if so, what on the subject of the arrangement with General Schenck and which you have just stated Stewart told you had been made?

To that did you answer "No, sir; I don't think I have?"—A. I presume I did, sir.

Q. And do you repeat that now?—A. I say now that I have no recollection of Mr. Park's telling me plainly. The inference that I usually drew from his conversations was that he knew it.

Q. I did not ask you for your inference.—A. No, sir; I don't recollect.

Q. But note this inquiry. (The question and answer are again read to the witness.)—A. You understand what I mean by that answer.

Q. I ask you whether you made that answer in reply to that question. Then you can give the explanation.

The WITNESS. Well, go on and make your statement.

Mr. CHITTENDEN. Did you give this answer in New York: "No, sir; I don't think I have," to that interrogatory which I have read to you?—A. I don't know whether I did or not.

Q. Will you swear that you did not?—A. That is a very singular question to ask me, Mr. Chittenden. When I answer you that I do not know whether I did or not, you ask me to swear. I want you to understand that I don't design to take back anything that I did swear to then, but I don't know that I did swear to it. Another construction may be put upon that question. Perhaps if you will read something before or after it, it may give some explanation. You know what my direct examination and cross-examination were, as you have them there before you. I have not got them.

Q. Now I will call your attention to your direct examination, or interrogatory 353 in your direct, as follows:

Did he (Mr. Park) say anything about any percentage to be paid Stewart, on the proceeds of the sale of the mine?

Did you reply, "He told me he gave him (Stewart) two thousand shares of stock in one block to become a director, and to assist in getting General Schenck on the board?"—A. That is proper, sir.

Q. He did so tell you?—A. Yes, sir.

Q. Mr. Park?—A. Mr. Park? No; Mr. Stewart, I said.

Q. No, I don't want to mislead you.—A. Well, I believe Mr. Park told me so, also. I believe they both told me.

Q. That Mr. Park gave Stewart two thousand shares of stock in one block to become a director, and assist in getting General Schenck on the board?—A. I believe they both told me that, sir.

Q. And you swore so in New York, did you?—A. I don't know whether I swore to it or not.

Q. Is not that your recollection?—A. I don't recollect now, but I presume that I did. If I was asked the question, I presume I did. The information I got from one or both of them; I am positive of that and I believe I got it from both of them.

Q. Mr. Lyon, your examination commenced in New York on the 26th of May, and terminated on the 1st of July. When, in the course of that examination, did you first make any reference to the subject of Professor Silliman's compensation?—A. I don't recollect now.

Q. Did you not go over the entire history of this case, making no reference to that, and only bring it out on the last day, when we went to the commissioner to swear you to your testimony?—A. Yes, sir; I remember now the circumstance. I would like to explain that matter to Mr. Chittenden, now. I don't propose to leave it in that form. After the testimony was all closed, Mr. Larocque and I passed out.

Mr. CHITTENDEN. I will suggest that the witness make memoranda as I go along, and then if he wishes to explain anything at the end he can do so.

The WITNESS. I have no objection; I will do so.

Q. What was your first transaction in Emma shares, after you got to England?—A. I don't now recollect what it was.

Q. Was it not a purchase?—A. I believe it was.

Q. And at a price considerably above par?—A. I believe it was; yes, sir, something above par.

Q. Do you remember how large a purchase it was?—A. No, sir, don't. It was one or two or three hundred, somewhere along there.

Q. Shares?—A. Yes, sir.

Q. When did you begin to sell these shares short?—A. I don't think I sold any shares short until about, I should say, April or May; April I should think.

Q. Did you not sell short just at the time these eighty-five hundred

shares were being put on the market?—A. I don't know whether I did it before or afterward. I am not able to say now.

Q. Well, but in the letter which we put in here, which you acknowledged was yours, you say that knowing these facts about the eight thousand five hundred shares, you commenced your short sales?—A. Very likely, sir. I am not sure about that.

Q. From that time out you were, in stock parlance, a bear of Emma shares, were you not?—A. Yes, sir, I was.

Q. And was there considerable excitement in reference to these shares at various times?—A. The eight thousand five hundred?

Q. Well, in reference to speculation in these shares after April.—A. O, yes, sir; I should think so, particularly in June.

Q. That was the time of the cave, was it not?—A. Yes, sir.

Q. What was the cost of telegraphing to Salt Lake in June?—A. Well, it was very expensive.

Q. Over a dollar a word, was it not?—A. Yes, sir; it was a dollar a word, or over that.

Q. Now, you will correct me if I am wrong, but computing your telegrams to Almy, and the answers for which you paid, I find that you must have expended some five thousand dollars during May and June for telegraphing. For what purpose did you expend that money?—A. In the first place, I was short of the stock. A telegram came to me to the following effect: "Emma mine caved from the seventh floor above the tunnel." I think it said—"mine filling with water; no ore can be taken out for six months," or something of that character. I thought that was a put-up job by some of these individuals.

Q. I want you to explain in as few words as you can.—A. I want to explain to you to show to you the effort I made to ascertain the fact. That was from Mr. Almy. I then telegraphed that dispatch to another party in Salt Lake, asking him if that was true. As those dispatches were denied from time to time, I would not rely upon a dispatch from one person, but I employed another person to inform me, so that I should not be misled, and I got dispatches from both parties then. That accounts in a measure for there being so many dispatches. Now, I was short of Emma stock, and of course I availed myself of the opportunity.

Q. Was not your substantial purpose this: To get information which would put these shares down?—A. My object was to get information so that I would know, but at the same time I am not the only one. Lewis & Son, of Liverpool, saw me the morning I got my first dispatch, and showed me theirs also.

Mr. CHITTENDEN. I do not ask you anything about that.

The WITNESS. I was not the only one that was selling shares short in the English market. There were a hundred people selling shares short. My object was to avail myself of the information at the earliest possible moment, as the directors had denied any such circumstance taking place at the mine, and it cost me more money than it otherwise would.

Q. Now, I wish to ask you whether this proposition to refer the case to Judge Curtis was not made by Mr. Park, and whether, upon its being made, you did not telegraph to Mr. Stewart, then your counsel, who had left Salt Lake, to come back there and consider that proposition.—A. Those things are somewhat out of my mind. My recollection is that in the first place the proposition was made to Mr. Park from Mr. Stewart and Mr. Hempstead. I have the letter here.

Q. Upon submitting that, did not Mr. Stewart immediately leave Salt Lake? Don't you think he did?—A. I will tell you if you don't get in

too much of a hurry; I have a recollection of Mr. Stewart being telegraphed for at Cheyenne to come back.

Q. And was he not telegraphed for to come back to consider a proposition made by Mr. Park to refer this case to Judge Curtis?—A. I do not now recollect whether Curtis's name was mentioned at that time or not. I am not sure that it was mentioned until after Mr. Stewart came back, but there was something that I telegraphed to Mr. Stewart that brought him back, and I cannot now tell what it was, but I believe that Mr. Park was still remaining at Salt Lake.

Q. The stipulation was signed on the 21st of July, 1871?—A. That is right; yes, sir.

Q. In New York, did you not swear that before Mr. Park and Mr. Stewart left Salt Lake, you were informed that an agreement had been come to by which you were to receive $500,000 for your claim?—A. I would state that at the time when Mr. Stewart and Mr. Park were in Salt Lake the conversation that I had with Mr. Stewart was that he had fixed the amount with Mr. Park; the ore had been taken out of the mine, and Mr. Park estimated it at $2,000,000, and one half million should be taken out for expenses, in round numbers, and that would leave $1,500,000. Mr. Stewart and I agreed that $500,000 should satisfy me.

Q. I wish to know whether before Mr. Stewart went from Salt Lake on that occasion you swore in New York that you understood that Mr Park had agreed to pay $500,000 for your claim.—A. I say so now that was my understanding with Mr. Park and Mr. Stewart, both of them, at different times, that that sum had been agreed upon.

Q. And agreed upon before Mr. Stewart and Mr. Park left Salt Lake on that occasion?—A. I think it was on the last occasion that Mr. Stewart was there. I have reference to the last time Mr. Stewart was at Salt Lake.

Q. Now, let us understand this discrepancy. Do you intend to say that Mr. Park promised to assume the liability for ores taken out of the mine by prior owners?—A. I understand that Mr. Stewart had made this arrangement with Mr. Park. This is my language to Mr. Stewart that I have repeated, and that he made the arrangement with Mr. Park and my idea was that Mr. Park was to pay for the property taken out by the former owners.

Q. You understood that he had assumed to pay for the property?—A. I believe Mr. Park had made an arrangement with those people whereby he had it understood and fixed. I believe he had. I thought he knew his own business best.

Q. Did you not swear in New York that the reason why the contract was not closed at Salt Lake was that you understood Mr. Park was going to New York to arrange for the payment of the $500,000?—A. Mr. Stewart told me that as soon as he got to New York he would fix it satisfactorily.

Q. I am asking you whether you did not swear in New York that Stewart told you that Park was coming from Salt Lake City to New York to arrange for the payment of the $500,000?—A. Very well, sir; whatever I swore to there is correct.

Q. I ask you did you swear to that?—A. I do not recollect what I swore to. My understanding was that Mr. Stewart was to come to New York to arrange or fix this amount at $500,000, and make it satisfactory in some manner to me.

Q. Did you then know that this mine was weakening and showing *signs* of exhaustion?—A. I knew it from my conversations with M

tewart, and from my conversations with Mr. Hillyer, and from my conersations with Mr. Park. Mr. Stewart and Mr. Hillyer were constantly rging me to get up some compromise in this matter—constantly urging ie; and certainly some time in July this mine was examined, and hen Mr. Hillyer came back to New York and brought me that paper, eferring to the $500,000 that had been discussed in Salt Lake City, he new I was not satisfied with the paper.

Q. Now, Mr. Lyon, my question is a very simple one.—A. Well, wait ill I get through. Mr. Raymond had been there and examined the nine, and Mr. Hillyer had called him one side and had a private conersation with him, giving the character of it, and called me again and rged me to accept a contract for a settlement of the question.

Q. Mr. Lyon, in your letter to Almy of April 29, 1871, you used this xpression about Mr. Park: "I seem to meet with little courtesy at his ands." Was it true that at that time he treated you with little courtesy?

The WITNESS. What else is there in the letter?

Mr. CHITTENDEN. Not anything on this point.

A. The only thing I can say with reference to that is that I met Mr. Park in New York. He came into my room, and I had conversation with him in detail.

Q. Did he treat you then with discourtesy?—A. I thought at on time hat he did.

Q. At the time of this hearing in July, on your application for a survey, did Mr. Park and Mr. Phelps, upon that argument, severely denounce you and your claim?—A. Certainly; of course they did.

Q. They said your claim had no foundation and was a black-mail claim, did they not?—A. Yes; and they said a good deal more than that, too.

Q. Now, the date of that is fixed at the 15th of July. When was it, now, that you say Mr. Park told you there was justice in your claim—hat he could pay you a large sum of money for it, and settle it in an nour, &c.?—A. That was while we were in Salt Lake City.

Q. How long after this denunciation?—A. I don't recollect, exactly, now long after the denunciation. What denunciation do you mean?

Q. Why, of you, at the hearing on the application for a survey, the 15th of July.—A. It might have been right then and there, just about when this thing was going on. I do not recollect. Mr. Park was lescribing to me, in a conversation there, about his running a drift to he northwest of it 160 feet and finding no ore.

Q. I only want the conversation —A. I cannot fix the dates of the conversation.

Q. You say he was denouncing you as a black-mailer in court.—A. I did not say Mr. Park did; his attorney did.

Q. Well, did not Mr. Park?—A. I do not think he said anything paricular in court. I do not recollect his language in court.

Q. He was present, was he not?—A. Yes, sir; he was present.

Q. But about this time he said there was justice in your claim; is hat what you say?—A. I do not recollect that it was at that particular ime; it might have been a little after. Mr. Park knows the conversaion very well.

Q. Now, sir, when you arrived in England, and first met Mr. Park, did he not pass you by without recognition?

The WITNESS. In England?

Mr. CHITTENDEN. Yes, sir.

A. No, sir.

Q. On your first meeting?—A. No, sir; I should think not. I have

was after the 15th of January before I got the last of it. I am n positive about that.

Q. When you got there, (if I correctly appreciate your testimon about the 20th of November, you observed that Park and Stewart w committing a fraud upon the British public, did you?—A. I believe most emphatically.

Q. Between the 20th of November and the 15th of January (du those two months) did you take any measures to inform the British pu of that fraud?—A. I am sure that I did not.

Q. Why did you not?—A. I was not there for that purpose.

Q. You did not consider it your duty?—A. No, sir; it was not business; I did not go on any such business.

Q. How long was it after you got your pay before you entered on enterprise of informing the British public about this fraud?— should think that the first publication or communication of mine i have been in the spring, at the meeting spoken of.

Q. In the month of March?—A. Not in March, but as late as M

Q. How early did Mr. Johnson begin?—A. I cannot tell you; not reliable as to dates.

Q. That meeting in May was after Mr. Park left, was it not? Yes.

Q. You cannot fix the date when Mr. Johnson first came to make publication, can you?—A. It seems to me that it was in April.

Q. A gentleman of the committee, in putting an inquiry to Ge Schenck, stated that evidence had been given here of large transac in Emma shares between November 28, 1871, (the date of Mr. F telegram to General Schenck,) and the 12th January, 1871, when eral Schenck's resignation as director became public. State wh you gave any such evidence.—A. I do not now recollect. I pre there were transactions. I do not recollect what evidence I gave o subject.

Q. I have not asked you about your belief. I asked if you have any such evidence here, and, if so, I wish you to point it out.—A. not recollect having done so.

Q. You cannot point it out, can you?—A. I would have to look my testimony.

Mr. CHITTENDEN. I will tell you frankly that I don't find it, and not think you have given any such testimony. The first allotmen the 25,000 shares, was on the 20th November, 1871. The second ment, of the 8,500 shares, was on the 15th April, 1872. Between t dates have you any knowledge that Mr. Park bought or sold one of Emma stock?—A. I think I have.

Q. What is it? I wish you to understand that I have the record —A. I do not care anything about your record. You asked me a tion, and I am going to answer it.

Q. Very well; if you have such information, I wish you to state A. I wish to state that Cyrus M. Fisher was visiting Mr. Park's quite often. Mr. Park made his office where his room was, at 45 marle street. From the conversation between these two gentlem was evident that Mr. Park was dealing, was manipulating the sh both buying and selling. Mr. Fisher would come in for money Park, and they would talk about transactions and about bank-acco I recollect that on one occasion a thousand shares of the stoc offered at the stock-exchange, and Mr. Fisher was running abo find some one to take them. He could not find Mr. Park, and h very much excited about it. I think he went to Mr. Goldring

Q. Do you recollect a publication by Mr. Johnson, containing this tract, on the 9th of December?—A. Yes, sir.

Q. Did you swear in New York that that contract was published inst your wish?—A. I did, sir.

Q. Did you state that you did not intend to publish it until after Mr. k had sailed, because if you did, he would be sure to answer it?—I do not recollect whether I stated it or not; but I say so now.

Q. You have referred to several conversations with General H. H. Bax-. I wish you to state whether you are willing to swear here that you er had one word of conversation with General Baxter in your life.—I do swear positively that I did on more occasions than one.

Q. Are you familiar with patents for mines issued by the United tates?—A. No. I have seen them.

Q. Well, what sort of looking documents are they? Describe them. re they on common paper?—A. No, sir. I believe not.

Q. Are they on parchment or parchment-paper?—A. I think they re; heavy paper, at all events.

Q. In what manner are they usually delivered from the office?—A. I ever got them at the office, sir. I was sent to Mr. Park's office in New York——

Q. Wait one moment. In what form, what shape, did you ever see a patent for a mine? Describe it.—A. I cannot describe it to you here, because I am not familiar enough with the documents.

Q. You cannot tell whether it is a paper done up about *that* way? (Illustrating.)—A. No; it is larger, I should think a good deal, according to my recollection.

Q. How much larger?—I think it a good deal larger; quite a large paper.

Q. When done up, is it as broad as that?—A. I should think not, the way that I have seen. It might be more of the shape of a land-warrant, or something of that kind, I should think.

Q. Now, you say that you have seen the patent for the Emma Mine, do you?—A. I have seen what I supposed was a patent for the Emma Mine.

Q. You read it, did you not?—A. No, sir; I did not.

Q. What made you think it was the patent for the Emma Mine?—A. I will tell you what I took my information from. I went into Mr. Baxter's office in the morning, and I believe I was requested to call there by Mr. Park or Mr. Stewart. One of them told me. I told him I wanted to see it, as a matter of curiosity.

Q. You told him so.—A. I told Mr. Park or Mr. Stewart so—that I wanted to see it. They told me to go down to Mr. Baxter's office and see it, that it was in his office. I went down to Mr. Baxter's office, and went in. Mr. Baxter came in in a few minutes after I took a seat. There was a young boy in there; I do not know who he was. I told Mr. Baxter that I wanted to see the Emma Mine patent. He said they had got no patent for the Emma Mine, and wanted to know what I meant by that. Said I, "Mr. Baxter, don't you know me?" He turned around and said, "Yes, I know you." Said I, "My name is James E. Lyon." "O, I beg your pardon, Mr. Lyon; you know, I suppose, that we do not want people to know that we had got it." Said I, "Yes; I suppose that is so," and he laughed and said, "It is all right, Lyon, you can see it; but you know I did not know you; in fact, I did not recognize you—that is the truth about it." Said I, "That is all right, Mr. Baxter; it is all right." We commenced a conversation then about the property, and he told a young man to get it and bring it out—the

paper. That is all I know. I saw it, and I supposed it was the paten In fact, I never read it. We got into some conversation on the subjec

Q. You went there expressly to see it, didn't you?—A. Yes, sir; went there on purpose to see it, because I knew it was there.

Q. Did you have it in your hands?—A. I don't know but I did. am not sure about it now. I do not recollect, but I have a recollectio of seeing it—that is my impression. I saw what I supposed to be th patent.

Q. Did you have it in your hands?—A. I do not recollect. I shou say, heretofore, that I have had it in my hands.

Q. What do you say now?—A. I am not positive about it; not sure. If there is any catch or trick about it, I do not know that I sa it.

Q. The catch or trick, I tell you, is that the patent was never there. A. Mr. Baxter told me it was there and in the safe, and Mr. Park to me to go down and see it.

Q. You said you saw it there.—A. I believe now that I saw it the

Q. You swore before this committee that you saw it there?—A. We I believe I did.

Q. Were there any maps attached to it?—A. I do not recollect. cannot particularly describe it now.

Q. You cannot tell anything about it?—A. No, sir.

Q. I will ask you where this office was?—A. It was in Wall stre down stairs in the cellar.

Q. That is pretty indefinite.—A. What I mean is that it was betwe Broad street and William.

Q. On which side?—A. On the left-hand side going toward Bro way, down stairs.

Q. Coming from Wall Street Ferry up to Trinity Church, it is not the left-hand side.—A. It was on the left-hand side. He may ha moved the office a dozen times since that.

Q. You say the office that you went to was on the left-hand side? A. Yes, sir.

Q. Going from the ferry up to Trinity Church?—A. Yes, sir; on t eft-hand side of Wall street.

Q. And down in a basement?—A. Down in a basement. Mr. Ba ter's little office was at the right—a small room; there was a de there.

Q. Was his name on the door?—A. I am not sure; it might ha been the Emma Mining Company's office. I only say that Baxter w there, and I saw him there in the morning, when he came to read l letters, and I saw that I was annoying him in reading letters, and fina I left without staying there any length of time.

Q. Will you swear whether or not there were any maps attached that patent?—A. No, I will not; for I did not examine it enough know, and I do not know but I did. I cannot tell you the particul about it.

Q. What did you want to see it for?—A. I went as a matter of cu osity; that was all. The mine running in one direction and the pat in the other, I had a curiosity to know which way they took the pat out.

Q. Did you satisfy your curiosity?—A. I guess I lost the curios when I got down there, talking with him; I do not think I had a more curiosity about it; in fact, I only knew by advertisements aft ward which way it was taken out. I will say to you again when I s *Mr. Baxter*, if you wish me to.

doubt you have seen Mr. Baxter a great many times.—A. I talked with him about sending messages by me to Mr. Park ent to Europe.

r, at the top of page 51, speaking of one or two reports of Blake, you say: "He made one report that I referred to in nation, which I obtained through another person, Mr. Baxter." sir; I do not mean to have it understood in that way, either. r do you mean to have it understood?—A. I mean to have it d that the gentleman who got the report from Mr. Baxter me.

what form was that report—written or printed?—A. My im- is that it was printed, but I am not sure about that. I have y of it here, if you wish to see it.

ave no doubt you have, sir; but when it was shown you, as sworn here, what is your best recollection as to its form; is it as written or printed?—A. I cannot say to you whether it was r printed. I have got it right here. I got it from that one at is the only one I have seen.

I got it from another gentleman?—A. I got it from another n.

o was it?—A. Mr. Artault, a mining-broker, who got it of Mr. nd who told me he had instructions to bring it back again.

ITTENDEN. Will you write that name down?

ITNESS, (spelling the name.) A-r-t-a-u-l-t—Francis A. Artault.

HNSON. His office was in Jauncey Court.

e alive now?—A. No, sir; I understand he is dead. He died

en did he die?—A. I have only heard that he was dead—that me time four or five months ago.

page 51 you say: "I am not going to be too positive about t I think it was brought to me in a pamphlet form by the —A. Well, I should think it was in a pamphlet form. I may ken about that. It possibly might have been in a manuscript. nother reason for saying I think it was in a pamphlet form; hat Mr. Baxter did not want it distributed around; so I believe inted. It was the only copy he had.

I have sworn here to a good many admissions and statements ark, Mr. Stewart, and others. Will you please refer to one s made in the presence of another person? Can you do that? o not recollect; I cannot say now whether I have sworn as to being present or not.

ill put it in another form. Can you now recall one admission Mr. Park, Mr. Stewart, or any of these gentlemen adverse to a Mine, or throwing any doubt upon its sale or upon the honesty le, which was made by Mr. Park or Mr. Stewart when any other han yourself was present?—A. Well, I do not recollect just et me say one word. I believe that Mr. Park and Mr. Stew- both present in London when the question arose in reference e were going to satisfy the English shareholders about this ng played out, about no work being done to take out ore dur- winter. My impression is that they were both present. Mr. then made the remark, "We can satisfy them by telling them snows are very deep in Utah, and there is money enough in the to pay the dividends for six or seven months ahead, as Mr. ends to sell out all these shares on the strength of that." I ey were both present on that occasion.

Q. Did you not explicitly swear in New York, when the qu asked you whether any one was present when Mr. Stewart n statement, that there was not anybody present?—A. I do what I swore to; but I believe that both those gentlemen l conversation.

Q. That is what you swear to now?—A. Well, sir, I believe

Q. If you did swear to it differently in New York, it was t it not, as you there swore to it?—A. I believed it when I was Perhaps I may not have been interrogated.

Q. What has occurred to change your opinion about it?—A do not know, sir; persons are not always liable to be very c long time has passed—four years. You are now asking me al of events that occurred four years ago.

Q. I believe you have sworn that you never had a word of tion with General Schenck in your life; is that true?—A. know that I had sworn to that. I swore that I had a letter of tion from Mr. Park to General Schenck, and carried it to hi believe, to him. I cannot say that we had any particular co more than to do my business and to go back again. Perhap there in the first place, the first time, with a letter and did n there, but I called there twice, I think, at General Schenc He was out in the country, I think, thirty or forty miles fro

Q. To carry a letter?—A. Mr. Park was eager to have Genera meet the board——

Q. Just wait one moment. I have asked you simply this whether you now say that you ever had any conversation wit Schenck in your life?—A. I say that I had.

Q. Upon how many occasions?—A. Only once.

Q. Where was that?—A. In his own house.

Q. On what street or place?—A. 58 Cumberland Place.

Q. You went there to carry a letter?—A. Yes, sir; I went carry a letter.

Q. What did you say to him?—A. Nothing in particular; handed him a letter. It was a letter about his hearing from

Q. Was that all the conversation you had with him?—A that was all, sir.

Q. Was that a letter of introduction?—A. Yes, sir; it was troducing me to General Schenck; that is my understanding

Q. Did you read it?—A. I do not recollect now. I did General Schenck, and of course Mr. Park introduced me to hi pose it was a letter of introduction.

Q. How did you know that it was a letter of introduction not read it?—A. It is probable that I did read it. If it wa letter of introduction, of course I read it.

Q. On page 64 of your testimony, a question by Mr. Packe

Did you ever see Minister Schenck at Mr. Park's place, or in company Answer. No, sir; I do not know that I have any recollection of ever see gentlemen together.

Did you ever see General Schenck and Mr. Stewart in com each other?—A. No, sir. I did not know General Schenck. letter to him from Mr Park.

Q. On page 17 you say:

I went over to General Schenck with a letter from Mr. Park, and it was troduction I had to him. He did not talk much to me; it was about th the trustees.

Is that the occasion to which you have just referred?—A.

APRIL 5, 1872.

W. H. TOOKE, Esq., *Secret'y Emma Mine Co.:*

DEAR SIR: Please show the bearer, Mr. Lyon, the list of shareholders, and give him ny information & acc'd he desires.

Very truly, yours,
(Signed) T. W. PARK.

Envelope addressed:
W. H. TOOKE, Esq., *E. S. M. Company.*

Q. Did it occur to you to ask Mr. Park, if he was so anxious to keep o this market, why he did not offer these 8,500 shares to general subcription instead of confining the subscription to the shareholders?—. I can give you my idea why he wanted to confine it to the shareolders.

Q. I ask you if you asked Mr. Park that question. I do not want your eculations. Did you ask Mr. Park why those shares were not offered the general public instead of being confined to the shareholders?—A. knew from the conversations which Mr. Park and I had, that he was sirous of fixing these shares for the shareholders only, for the express irpose of leaving the market outside to speculators and other parties the public market. That was one of the inducements in order to make desirable, not to give other parties an opportunity of subscribing, and nveying the impression that he was only giving it to his friends. That the conversation that I had with Mr. Park. He used language to nvince me to that effect, and we understood it together, that that was e object of confining that subscription to shareholders only.

Q. Did Mr. Park tell you so?—A. I certainly think he did. I know at he did.

Q. Was the offer of these 8,500 shares in any manner advertised expt by the circular to the stockholders?—A. I have no recollection on at subject.

Q. Do I understand you to have sworn before this committee that r. Park ever told you that he gave any shares, or anything else to eneral Schenck to induce him to become connected officially with this mpany?—A. I have never so stated it, I believe. I have no recollecon that Mr. Park ever said to me that he gave General Schenck stock become a director in this Emma Mining Company, and I do not ink he ever did tell me so plainly, using that language.

Q. I will now read to you question 2509 in your New York examinaon:

Q. Did you, at any time, have any conversation with the defendant, Park, and, if , what on the subject of the arrangement with General Schenck and which you ave just stated Stewart told you had been made?

To that did you answer "No, sir; I don't think I have?"—A. I preume I did, sir.

Q. And do you repeat that now?—A. I say now that I have no recolection of Mr. Park's telling me plainly. The inference that I usually rew from his conversations was that he knew it.

Q. I did not ask you for your inference.—A. No, sir; I don't recollect.

Q. But note this inquiry. (The question and answer are again read to the witness.)—A. You understand what I mean by that answer.

Q. I ask you whether you made that answer in reply to that question. Then you can give the explanation.

The WITNESS. Well, go on and make your statement.

Mr. CHITTENDEN. Did you give this answer in New York: "No, sir; I don't think I have," to that interrogatory which I have read to you?—A. I don't know whether I did or not.

Q. Will you swear that you did not?—A. That is a very singu question to ask me, Mr. Chittenden. When I answer you that I do n know whether I did or not, you ask me to swear. I want you to unde stand that I don't design to take back anything that I did swear t then, but I don't know that I did swear to it. Another constructio may be put upon that question. Perhaps if you will read somethin before or after it, it may give some explanation. You know what m direct examination and cross-examination were, as you have them the before you. I have not got them.

Q. Now I will call your attention to your direct examination, or inte rogatory 353 in your direct, as follows:

Did he (Mr. Park) say anything about any percentage to be paid Stewart, on t proceeds of the sale of the mine?

Did you reply, "He told me he gave him (Stewart) two thousa shares of stock in one block to become a director, and to assist in g ting General Schenck on the board?"—A. That is proper, sir.

Q. He did so tell you?—A. Yes, sir.

Q. Mr. Park?—A. Mr. Park? No; Mr. Stewart, I said.

Q. No, I don't want to mislead you.—A. Well, I believe Mr. P told me so, also. I believe they both told me.

Q. That Mr. Park gave Stewart two thousand shares of stock in block to become a director, and assist in getting General Schenck the board?—A. I believe they both told me that, sir.

Q. And you swore so in New York, did you?—A. I don't k whether I swore to it or not.

Q. Is not that your recollection?—A. I don't recollect now, but I sume that I did. If I was asked the question, I presume I did. information I got from one or both of them; I am positive of t and I believe I got it from both of them.

Q. Mr. Lyon, your examination commenced in New York on the of May, and terminated on the 1st of July. When, in the course of t examination, did you first make any reference to the subject of Profe Silliman's compensation?—A. I don't recollect now.

Q. Did you not go over the entire history of this case, making reference to that, and only bring it out on the last day, when we w to the commissioner to swear you to your testimony?—A. Yes, sir; I member now the circumstance. I would like to explain that matte Mr. Chittenden, now. I don't propose to leave it in that form. A the testimony was all closed, Mr. Larocque and I passed out.

Mr. CHITTENDEN. I will suggest that the witness make memora as I go along, and then if he wishes to explain anything at the end can do so.

The WITNESS. I have no objection; I will do so.

Q. What was your first transaction in Emma shares, after you go England?—A. I don't now recollect what it was.

Q. Was it not a purchase?—A. I believe it was.

Q. And at a price considerably above par?—A. I believe it w yes, sir, something above par.

Q. Do you remember how large a purchase it was?—A. No, si don't. It was one or two or three hundred, somewhere along there.

Q. Shares?—A. Yes, sir.

Q. When did you begin to sell these shares short?—A. I don't thi sold any shares short until about, I should say, April or May; Ap should think.

Q. Did you not sell short just at the time these eighty-five hun

s were being put on the market?—A. I don't know whether I t before or afterward. I am not able to say now.

. Well, but in the letter which we put in here, which you acknowl-ed was yours, you say that knowing these facts about the eight thou-d five hundred shares, you commenced your short sales?—A. Very ely, sir. I am not sure about that.

. From that time out you were, in stock parlance, a bear of Emma ares, were you not?—A. Yes, sir, I was.

. And was there considerable excitement in reference to these shares various times?—A. The eight thousand five hundred?

. Well, in reference to speculation in these shares after April.—A. yes, sir; I should think so, particularly in June.

. That was the time of the cave, was it not?—A. Yes, sir.

. What was the cost of telegraphing to Salt Lake in June?—A. ll, it was very expensive.

. Over a dollar a word, was it not?—A. Yes, sir; it was a dollar a l, or over that.

Now, you will correct me if I am wrong, but computing your tele-ıs to Almy, and the answers for which you paid, I find that you have expended some five thousand dollars during May and June for raphing. For what purpose did you expend that money?—A. In irst place, I was short of the stock. A telegram came to me to the wing effect: "Emma mine caved from the seventh floor above the el." I think it said—"mine filling with water; no ore can be taken for six months," or something of that character. I thought that a put-up job by some of these individuals.

I want you to explain in as few words as you can.—A. I want to ain to you to show to you the effort I made to ascertain the fact. was from Mr. Almy. I then telegraphed that dispatch to another in Salt Lake, asking him if that was true. As those dispatches denied from time to time, I would not rely upon a dispatch from person, but I employed another person to inform me, so that I ld not be misled, and I got dispatches from both parties then. accounts in a measure for there being so many dispatches. Now, s short of Emma stock, and of course I availed myself of the op-ınity.

Was not your substantial purpose this: To get information which d put these shares down?—A. My object was to get information at I would know, but at the same time I am not the only one. s & Son, of Liverpool, saw me the morning I got my first dispatch, showed me theirs also.

. CHITTENDEN. I do not ask you anything about that.

e WITNESS. I was not the only one that was selling shares short in English market. There were a hundred people selling shares short. bject was to avail myself of the information at the earliest possible ent, as the directors had denied any such circumstance taking place e mine, and it cost me more money than it otherwise would.

Now, I wish to ask you whether this proposition to refer the case ıdge Curtis was not made by Mr. Park, and whether, upon its being , you did not telegraph to Mr. Stewart, then your counsel, who had lalt Lake, to come back there and consider that proposition.—A. e things are somewhat out of my mind. My recollection is that in rst place the proposition was made to Mr. Park from Mr. Stewart Mr. Hempstead. I have the letter here.

Upon submitting that, did not Mr. Stewart immediately leave Salt ? Don't you think he did?—A. I will tell you if you don't get in

too much of a hurry; I have a recollection of Mr. Stewart being telegraphed for at Cheyenne to come back.

Q. And was he not telegraphed for to come back to consider a proposition made by Mr. Park to refer this case to Judge Curtis?—A. I do not now recollect whether Curtis's name was mentioned at that time or not. I am not sure that it was mentioned until after Mr. Stewart came back, but there was something that I telegraphed to Mr. Stewart that brought him back, and I cannot now tell what it was, but I believe that Mr. Park was still remaining at Salt Lake.

Q. The stipulation was signed on the 21st of July, 1871?—A. That is right; yes, sir.

Q. In New York, did you not swear that before Mr. Park and Mr. Stewart left Salt Lake, you were informed that an agreement had been come to by which you were to receive $500,000 for your claim?—A. I would state that at the time when Mr. Stewart and Mr. Park were in Salt Lake the conversation that I had with Mr. Stewart was that he had fixed the amount with Mr. Park; the ore had been taken out of the mine, and Mr. Park estimated it at $2,000,000, and one half million should be taken out for expenses, in round numbers, and that would leave $1,500,000. Mr. Stewart and I agreed that $500,000 should satisfy me.

Q. I wish to know whether before Mr. Stewart went from Salt Lake on that occasion you swore in New York that you understood that Mr. Park had agreed to pay $500,000 for your claim.—A. I say so now; that was my understanding with Mr. Park and Mr. Stewart, both of them, at different times, that that sum had been agreed upon.

Q. And agreed upon before Mr. Stewart and Mr. Park left Salt Lake on that occasion?—A. I think it was on the last occasion that Mr. Stewart was there. I have reference to the last time Mr. Stewart was at Salt Lake.

Q. Now, let us understand this discrepancy. Do you intend to say that Mr. Park promised to assume the liability for ores taken out of that mine by prior owners?—A. I understand that Mr. Stewart had made this arrangement with Mr. Park. This is my language to Mr. Stewart that I have repeated, and that he made the arrangement with Mr. Park, and my idea was that Mr. Park was to pay for the property taken out by the former owners.

Q. You understood that he had assumed to pay for the property?—A. I believe Mr. Park had made an arrangement with those people, whereby he had it understood and fixed. I believe he had. I thought he knew his own business best.

Q. Did you not swear in New York that the reason why the contract was not closed at Salt Lake was that you understood Mr. Park was going to New York to arrange for the payment of the $500,000?—A. Mr. Stewart told me that as soon as he got to New York he would fix it satisfactorily.

Q. I am asking you whether you did not swear in New York that Stewart told you that Park was coming from Salt Lake City to New York to arrange for the payment of the $500,000?—A. Very well, sir; whatever I swore to there is correct.

Q. I ask you did you swear to that?—A. I do not recollect what I swore to. My understanding was that Mr. Stewart was to come to New York to arrange or fix this amount at $500,000, and make it satisfactory in some manner to me.

Q. Did you then know that this mine was weakening and showing signs of exhaustion?—A. I knew it from my conversations with Mr.

Stewart, and from my conversations with Mr. Hillyer, and from my conversations with Mr. Park. Mr. Stewart and Mr. Hillyer were constantly urging me to get up some compromise in this matter—constantly urging me; and certainly some time in July this mine was examined, and when Mr. Hillyer came back to New York and brought me that paper, referring to the $500,000 that had been discussed in Salt Lake City, he knew I was not satisfied with the paper.

Q. Now, Mr. Lyon, my question is a very simple one.—A. Well, wait till I get through. Mr. Raymond had been there and examined the mine, and Mr. Hillyer had called him one side and had a private conversation with him, giving the character of it, and called me again and urged me to accept a contract for a settlement of the question.

Q. Mr. Lyon, in your letter to Almy of April 29, 1871, you used this expression about Mr. Park: "I seem to meet with little courtesy at his hands." Was it true that at that time he treated you with little courtesy?

The WITNESS. What else is there in the letter?

Mr. CHITTENDEN. Not anything on this point.

A. The only thing I can say with reference to that is that I met Mr. Park in New York. He came into my room, and I had conversation with him in detail.

Q. Did he treat you then with discourtesy?—A. I thought at on time that he did.

Q. At the time of this hearing in July, on your application for a survey, did Mr. Park and Mr. Phelps, upon that argument, severely denounce you and your claim?—A. Certainly; of course they did.

Q. They said your claim had no foundation and was a black-mail claim, did they not?—A. Yes; and they said a good deal more than that, too.

Q. Now, the date of that is fixed at the 15th of July. When was it, now, that you say Mr. Park told you there was justice in your claim—that he could pay you a large sum of money for it, and settle it in an hour, &c.?—A. That was while we were in Salt Lake City.

Q. How long after this denunciation?—A. I don't recollect, exactly, how long after the denunciation. What denunciation do you mean?

Q. Why, of you, at the hearing on the application for a survey, the 15th of July.—A. It might have been right then and there, just about when this thing was going on. I do not recollect. Mr. Park was describing to me, in a conversation there, about his running a drift to the northwest of it 160 feet and finding no ore.

Q. I only want the conversation—A. I cannot fix the dates of the conversation.

Q. You say he was denouncing you as a black-mailer in court.—A. I did not say Mr. Park did; his attorney did.

Q. Well, did not Mr. Park?—A. I do not think he said anything particular in court. I do not recollect his language in court.

Q. He was present, was he not?—A. Yes, sir; he was present.

Q. But about this time he said there was justice in your claim; is that what you say?—A. I do not recollect that it was at that particular time; it might have been a little after. Mr. Park knows the conversation very well.

Q. Now, sir, when you arrived in England, and first met Mr. Park, did he not pass you by without recognition?

The WITNESS. In England?

Mr. CHITTENDEN. Yes, sir.

A. No, sir.

Q. On your first meeting?—A. No, sir; I should think not. I have

no recollection of Mr. Park in England treating me in any other than a perfectly civil way.

Q. Did you not request Mr. Stewart to go to Mr. Park and convince him that he had misjudged you? Did you not ask Mr. Stewart to do that?—A. No, sir; I should think not. Mr. Stewart, I guess, did that voluntarily, but I might have asked him; I could not say now.

Q. Mr. Stewart did it before he left, did he not?—A. Mr. Stewart did it—yes, sir.

Q. When Mr. Park left England, about the middle of May, he left his business there with Mr. O. A. Gager, did he not?—A. I think he did. Yes, sir.

Q. And the balance of this $50,000 was paid to you by Mr. Gager, after Mr. Park left England, was it not?—A. I think £1,700 was paid to me.

Q. Now, before Mr. Park left, did you say to him (Park) in the presence of Mr. Gager, that you had never made any statements against the Emma Mine?—A. No, sir; I do not think I ever did. No question of that kind was asked me by Mr. Park.

Q. Did Mr. Park state to you that he had heard you were circulating stories that General Schenck had been paid five hundred shares of stock, and did you deny it in the presence of Mr. Gager?—A. I had not a word of knowledge of any conversation that occurred in Mr. Gager's presence, but once, in reference to the Emma Mine or Mr. Schenck, and I think I understood perfectly well what it was done for. Mr. Gager was in the room, and Mr. Park was very pleasant. No statement was made to me on that occasion in reference to my saying anything damaging to the Emma Mine, or Mr. Schenck; but Mr. Park said to me—broke right into a conversation that was going on—said he, "Lyon, I did not tell you that General Schenck got five hundred shares of stock, did I?" Said I, "No, sir." Not another word was said on the subject. I thought it was done for a purpose. I thought Mr. Park wanted Mr. Gager to know the fact, for some reason or other. I have a recollection of some such conversation as that.

Q. Did Mr. Park not state to you that he had heard you had circulated this story about Professor Silliman's contingent compensation, and did not you deny it?—A. I do not believe that any conversation of that kind took place.

Q. Did you not say there, in the presence of Mr. Gager, that Mr. Park had been deceived; that you had always believed in the Emma Mine, and had made no statements adverse to it?—A. I do not believe that a word of that conversation took place there.

Q. Do you deny it?—A. I do not believe one word of that conversation took place there.

Q. On the day that this balance was paid, did you ride with Mr. Gager down to the American consulate to execute these papers?—A. I guess I did.

Q. Did you there say to Mr. Gager that there had been considerable said about this, and, if he desired it, you would write Mr. Park a letter stating that you were perfectly satisfied with everything he had done about the Emma Mine?—A. No, sir.

Q. Did you state to him that if Mr. Park would go home and leave you there, and communicate information to you from this side, you could make a great deal of money in speculating in Emma shares?—A. No, sir.

Q. Nothing of the sort?—A. No, sir; not one word of the kind.

Q. Do you recollect a publication by Mr. Johnson, containing this contract, on the 9th of December?—A. Yes, sir.

Q. Did you swear in New York that that contract was published against your wish?—A. I did, sir.

Q. Did you state that you did not intend to publish it until after Mr. Park had sailed, because if you did, he would be sure to answer it?—A. I do not recollect whether I stated it or not; but I say so now.

Q. You have referred to several conversations with General H. H. Baxter. I wish you to state whether you are willing to swear here that you ever had one word of conversation with General Baxter in your life.—A. I do swear positively that I did on more occasions than one.

Q. Are you familiar with patents for mines issued by the United States?—A. No. I have seen them.

Q. Well, what sort of looking documents are they? Describe them. Are they on common paper?—A. No, sir. I believe not.

Q. Are they on parchment or parchment-paper?—A. I think they are; heavy paper, at all events.

Q. In what manner are they usually delivered from the office?—A. I never got them at the office, sir. I was sent to Mr. Park's office in New York——

Q. Wait one moment. In what form, what shape, did you ever see a patent for a mine? Describe it.—A. I cannot describe it to you here, because I am not familiar enough with the documents.

Q. You cannot tell whether it is a paper done up about *that* way? (Illustrating.)—A. No; it is larger, I should think a good deal, according to my recollection.

Q. How much larger?—I think it a good deal larger; quite a large paper.

Q. When done up, is it as broad as that?—A. I should think not, the way that I have seen. It might be more of the shape of a land-warrant, or something of that kind, I should think.

Q. Now, you say that you have seen the patent for the Emma Mine, do you?—A. I have seen what I supposed was a patent for the Emma Mine.

Q. You read it, did you not?—A. No, sir; I did not.

Q. What made you think it was the patent for the Emma Mine?—A. I will tell you what I took my information from. I went into Mr. Baxter's office in the morning, and I believe I was requested to call there by Mr. Park or Mr. Stewart. One of them told me. I told him I wanted to see it, as a matter of curiosity.

Q. You told him so.—A. I told Mr. Park or Mr. Stewart so—that I wanted to see it. They told me to go down to Mr. Baxter's office and see it, that it was in his office. I went down to Mr. Baxter's office, and went in. Mr. Baxter came in in a few minutes after I took a seat. There was a young boy in there; I do not know who he was. I told Mr. Baxter that I wanted to see the Emma Mine patent. He said they had got no patent for the Emma Mine, and wanted to know what I meant by that. Said I, "Mr. Baxter, don't you know me?" He turned around and said, "Yes, I know you." Said I, "My name is James E. Lyon." "O, I beg your pardon, Mr. Lyon; you know, I suppose, that we do not want people to know that we had got it." Said I, "Yes; I suppose that is so," and he laughed and said, "It is all right, Lyon, you can see it; but you know I did not know you; in fact, I did not recognize you—that is the truth about it." Said I, "That is all right, Mr. Baxter; it is all right." We commenced a conversation then about the property, and he told a young man to get it and bring it out—the

paper. That is all I know. I saw it, and I supposed it was the patent. In fact, I never read it. We got into some conversation on the subject.

Q. You went there expressly to see it, didn't you?—A. Yes, sir; I went there on purpose to see it, because I knew it was there.

Q. Did you have it in your hands?—A. I don't know but I did. I am not sure about it now. I do not recollect, but I have a recollection of seeing it—that is my impression. I saw what I supposed to be the patent.

Q. Did you have it in your hands?—A. I do not recollect. I should say, heretofore, that I have had it in my hands.

Q. What do you say now?—A. I am not positive about it; not so sure. If there is any catch or trick about it, I do not know that I saw it.

Q. The catch or trick, I tell you, is that the patent was never there.—A. Mr. Baxter told me it was there and in the safe, and Mr. Park told me to go down and see it.

Q. You said you saw it there.—A. I believe now that I saw it there.

Q. You swore before this committee that you saw it there?—A. Well, I believe I did.

Q. Were there any maps attached to it?—A. I do not recollect. I cannot particularly describe it now.

Q. You cannot tell anything about it?—A. No, sir.

Q. I will ask you where this office was?—A. It was in Wall street, down stairs in the cellar.

Q. That is pretty indefinite.—A. What I mean is that it was between Broad street and William.

Q. On which side?—A. On the left-hand side going toward Broadway, down stairs.

Q. Coming from Wall Street Ferry up to Trinity Church, it is not on the left-hand side.—A. It was on the left-hand side. He may have moved the office a dozen times since that.

Q. You say the office that you went to was on the left-hand side?—A. Yes, sir.

Q. Going from the ferry up to Trinity Church?—A. Yes, sir; on the eft-hand side of Wall street.

Q. And down in a basement?—A. Down in a basement. Mr. Baxter's little office was at the right—a small room; there was a desk there.

Q. Was his name on the door?—A. I am not sure; it might have been the Emma Mining Company's office. I only say that Baxter was there, and I saw him there in the morning, when he came to read his letters, and I saw that I was annoying him in reading letters, and finally I left without staying there any length of time.

Q. Will you swear whether or not there were any maps attached to that patent?—A. No, I will not; for I did not examine it enough to know, and I do not know but I did. I cannot tell you the particulars about it.

Q. What did you want to see it for?—A. I went as a matter of curiosity; that was all. The mine running in one direction and the patent in the other, I had a curiosity to know which way they took the patent out.

Q. Did you satisfy your curiosity?—A. I guess I lost the curiosity when I got down there, talking with him; I do not think I had any more curiosity about it; in fact, I only knew by advertisements afterward which way it was taken out. I will say to you again when I saw Mr. Baxter, if you wish me to.

Q. No doubt you have seen Mr. Baxter a great many times.—A. Well, sir, I talked with him about sending messages by me to Mr. Park when I went to Europe.

Q. Now, at the top of page 51, speaking of one or two reports of Professor Blake, you say: "He made one report that I referred to in my examination, which I obtained through another person, Mr. Baxter." —A. No, sir; I do not mean to have it understood in that way, either.

Q. How do you mean to have it understood?—A. I mean to have it understood that the gentleman who got the report from Mr. Baxter gave it to me.

Q. In what form was that report—written or printed?—A. My impression is that it was printed, but I am not sure about that. I have got a copy of it here, if you wish to see it.

Q. I have no doubt you have, sir; but when it was shown you, as you have sworn here, what is your best recollection as to its form; is it that it was written or printed?—A. I cannot say to you whether it was written or printed. I have got it right here. I got it from that one copy; that is the only one I have seen.

Q. You got it from another gentleman?—A. I got it from another gentleman.

Q. Who was it?—A. Mr. Artault, a mining-broker, who got it of Mr. Baxter, and who told me he had instructions to bring it back again.

Mr. CHITTENDEN. Will you write that name down?

The WITNESS, (spelling the name.) A-r-t-a-u-l-t—Francis A. Artault.

Mr. JOHNSON. His office was in Jauncey Court.

Q. Is he alive now?—A. No, sir; I understand he is dead. He died in Paris.

Q. When did he die?—A. I have only heard that he was dead—that is all—some time four or five months ago.

Q. On page 51 you say: "I am not going to be too positive about that, but I think it was brought to me in a pamphlet form by the broker."—A. Well, I should think it was in a pamphlet form. I may be mistaken about that. It possibly might have been in a manuscript. I have another reason for saying I think it was in a pamphlet form; that is, that Mr. Baxter did not want it distributed around; so I believe it was printed. It was the only copy he had.

Q. You have sworn here to a good many admissions and statements by Mr. Park, Mr. Stewart, and others. Will you please refer to one which was made in the presence of another person? Can you do that? —A. I do not recollect; I cannot say now whether I have sworn as to anybody being present or not.

Q. I will put it in another form. Can you now recall one admission made by Mr. Park, Mr. Stewart, or any of these gentlemen adverse to the Emma Mine, or throwing any doubt upon its sale or upon the honesty of the sale, which was made by Mr. Park or Mr. Stewart when any other person than yourself was present?—A. Well, I do not recollect just now. Let me say one word. I believe that Mr. Park and Mr. Stewart were both present in London when the question arose in reference to how we were going to satisfy the English shareholders about this mine being played out, about no work being done to take out ore during the winter. My impression is that they were both present. Mr. Stewart then made the remark, "We can satisfy them by telling them that the snows are very deep in Utah, and there is money enough in the treasury to pay the dividends for six or seven months ahead, as Mr. Park intends to sell out all these shares on the strength of that." I think they were both present on *that* occasion.

Q. Did you not explicitly swear in New York, when the question was asked you whether any one was present when Mr. Stewart made that statement, that there was not anybody present?—A. I do not know what I swore to; but I believe that both those gentlemen heard that conversation.

Q. That is what you swear to now?—A. Well, sir, I believe they did.

Q. If you did swear to it differently in New York, it was true, was it not, as you there swore to it?—A. I believed it when I was swearing. Perhaps I may not have been interrogated.

Q. What has occurred to change your opinion about it?—A. Well, I do not know, sir; persons are not always liable to be very correct. A long time has passed—four years. You are now asking me about dates of events that occurred four years ago.

Q. I believe you have sworn that you never had a word of conversation with General Schenck in your life; is that true?—A. I did not know that I had sworn to that. I swore that I had a letter of introduction from Mr. Park to General Schenck, and carried it to his house, I believe, to him. I cannot say that we had any particular conversation more than to do my business and to go back again. Perhaps I went there in the first place, the first time, with a letter and did not find him there, but I called there twice, I think, at General Schenck's house. He was out in the country, I think, thirty or forty miles from London.

Q. To carry a letter?—A. Mr. Park was eager to have General Schenck meet the board——

Q. Just wait one moment. I have asked you simply this question, whether you now say that you ever had any conversation with General Schenck in your life?—A. I say that I had.

Q. Upon how many occasions?—A. Only once.

Q. Where was that?—A. In his own house.

Q. On what street or place?—A. 58 Cumberland Place.

Q. You went there to carry a letter?—A. Yes, sir; I went there to carry a letter.

Q. What did you say to him?—A. Nothing in particular; only just handed him a letter. It was a letter about his hearing from Mr. Park.

Q. Was that all the conversation you had with him?—A. I guess that was all, sir.

Q. Was that a letter of introduction?—A. Yes, sir; it was a letter introducing me to General Schenck; that is my understanding of it.

Q. Did you read it?—A. I do not recollect now. I did not know General Schenck, and of course Mr. Park introduced me to him. I suppose it was a letter of introduction.

Q. How did you know that it was a letter of introduction if you did not read it?—A. It is probable that I did read it. If it was an open letter of introduction, of course I read it.

Q. On page 64 of your testimony, a question by Mr. Packer is—

Did you ever see Minister Schenck at Mr. Park's place, or in company with him?—Answer. No, sir; I do not know that I have any recollection of ever seeing the two gentlemen together.

Did you ever see General Schenck and Mr. Stewart in company with each other?—A. No, sir. I did not know General Schenck. I took a letter to him from Mr Park.

Q. On page 17 you say:

I went over to General Schenck with a letter from Mr. Park, and it was the first introduction I had to him. He did not talk much to me; it was about the meeting of the trustees.

Is that the occasion to which you have just referred?—A. Yes, sir.

r first statement you say:

s house another time, but he was out of town. I called a third time
sage there.

swer to Mr. Packer's question:

ver had any conversation with him on the matter?

, "Never." Now, sir, did you go there for any other pur-
world except as a messenger to hand General Schenck a let-
. Park?—A. I had no message at all to take to General
ıly I knew what Mr. Park wanted him for, and I did not
al Schenck, and Mr. Park wrote me a letter, and I took the

you a letter?—A. Mr. Park wrote a letter for me to carry
Schenck.

a letter from Mr. Park to General Schenck, was it not?—
I believe it was a letter of introduction from him to Gen-
. I have not the slightest doubt of it.

akes it again necessary for me to ask, did you read it?—
remember whether I did or not; I am not sure. It would
y difference, sir.

u, in fact, ever have any acquaintance or any conversation
l Schenck?—A. Just what I have sworn to, and no other.

, Mr. Lyon, that you should furnish those printed slips.—A.
d for them. I thought I had them with me here, but I find
not them with me.

akes it necessary for me to put another question to you:
swear the first day you were before this committee to con-
at you had had with Albert Grant?—A. No, sir. I never
conversation with Albert Grant in my life-time. When his
ived here it was read to the committee, and the committee
of the fact I had not made any such statement. When the
ived the committee said it was a mistake.

WASHINGTON, D. C., *April* 3, 1876.

HILLYER sworn and examined.

e CHAIRMAN:

ou tell, in general terms, what you know about the connec-
ral Schenck with the Emma Mine, so called?—A. I know
. Chairman, about the connection of General Schenck with
nothing about this transaction after they left New York.
nection with it was with their litigation up to that time.

who left New York?—A. After the parties left New York to
le. I know nothing of the English transactions.

r. PHELPS, of counsel:

re a counselor at law residing in Washington?—A. Yes,

you employed by Mr. Stewart in behalf of Lyon, in the liti-
lt Lake in regard to the Emma Mine?—A. Mr. Stewart and
employed by Lyon in the spring of 1871 to advise in his
specting the Emma Mine.

e CHAIRMAN:

your connection with the Emma Mine yourself, in the trans-
have had with it, or any communication which you have had
arties concerned in it, have you any knowledge which you

would desire to state to this committee, or that would be calculated to enlighten us in the investigation in which we are engaged?—A. I have read Mr. Lyon's testimony; and while I think I know nothing with regard to the English transactions, I do know something with regard to the character of the mine, and of the opinions of parties respecting it, which, perhaps, would throw considerable light upon this transaction. The counsel have submitted some questions to me and I have written my answers. I will state that I can write as truthfully as I can speak, and perhaps a little more concisely.

By Mr. PHELPS:

Q. What was your connection with that litigation?—A. Mr. Stewart and myself were employed by Lyon in the spring of 1871 as attorneys in his litigation respecting the Emma Mine. I had been the law-partner of Mr. Stewart at the time when he first came to the Senate in 1865, but since then had had no business or professional connection with him, so far as I remember, until this employment. During the year 1871, and up to the making of the contract of settlement, I was very thoroughly identified with this litigation, making several trips to Salt Lake and passing several weeks of time there in company with Mr. Lyon. I had probably as good if not better opportunity of knowing the facts in reference to the litigation and also the views of Mr. Lyon in reference to the same and his opinions as to the mine as any one of his attorneys, or any one else.

Q. Have you read the printed testimony of Lyon before this committee?—A. I have read the testimony.

Q. On page 6, he makes a statement with reference to the Emma Mining Company of San Francisco. Will you state your knowledge in reference to what he there says?—A. As to the Emma Mining Company, of San Francisco: This company proposed to consolidate their title with that of Lyon. Mr. Stewart and myself examined their claim, and both pronounced it worthless, and advised Mr. Lyon to have nothing to do with it. Mr. Stewart did not, to my knowledge, urge this consolidation, but opposed it. I never heard of any such proposition or suggestion as that the shares of this company could be used as a corruption fund or anything of this nature.

Q. On page 5 of his testimony Mr. Lyon says:

> He (Stewart) and I understood at the time that the mine was about exhausted. [this was in July, 1871,] and that was our understanding from Mr. Park.

State what you know about that.—A. If this be true, Mr. Stewart and Mr. Lyon both deceived me most grossly. I am confident the statement is entirely false. From the time we first went out there, the value of this mine was the subject of constant and anxious speculation with Stewart, Lyon, and myself; and very naturally, for upon it depended the value of Lyon's interest, and of the contingent fee (the only one we had) of Stewart and myself. Neither ourselves, nor any one supposed to sympathize with us, could obtain access to the mine. We had to form our opinion from what we could gather from workmen and occasional visitors, from ore-shipments, &c. We discussed this question frequently and confidentially. From all we could see and hear, we all three believed that the mine was very valuable, more so, probably, than those in possession were willing to admit. When at last we obtained the order of survey, we selected to visit the mine persons in whose judgment we had the greatest confidence. On their return from inspecting the mine, they all gave a most glowing description of its apparent value. Not one of them suggested any appearance of exhaustion, but, on the contrary, stated the facts indicating a very large bonanza or chimney of

ich ore, and their belief in its existence. Stewart, Lyon, and myself iscussed the facts reported by these experts, and all of us agreed that hey justified the opinion expressed by them. I do not mean to say hat we had no fears about its future. Every mine-owner, who is sensile, has always fears about his mine. It is the very nature of the proprty that no one can tell with certainty its actual value. Mr. Stewart nd myself had seen, during twelve years, every bonanza on the Comtock lode give out sooner or later, and new ones constantly discovered t other points, and at greater depth, and thus large fortunes lost and iade within very short periods of time, and we all knew that such was ie general history of silver-mining. The probable extent of any one ody already found, as indicated by what is exposed, and the probabily of finding a new bonanza when the present one is exhausted—both ery elastic propositions—are the elements of the value of all silverines. The controlling element of the selling-value is always the probble extent of the ore-body in sight, and hence the great fluctuations in rice, as this comes in sight, apparently increases or diminishes or disppears.

With this knowledge, Mr. Stewart, Lyon, and myself discussed the iture of this mine during our stay in Salt Lake City, and the more we earned about the facts, the firmer we became in our convictions that it ras exceedingly valuable, and this continued, so far as was indicated by nything ever said, to be our opinion up to the time when the parties eft to place the mine upon the English market. Mr. Lyon and I came n from Salt Lake together (about the middle of August) just before he contract was signed, and in our frequent conversations he never inicated to me a different opinion. It is true, as Mr. Lyon says, that hortly before we started Mr. Raymond had a conversation with me which I reported to Mr. Lyon) in which he expressed his opinion that he mine would not be permanent, or the present ore-body of great exent, and his belief that it was not a true vein. But Mr. Raymond did ot pretend to state to me any *new fact*, but only his inference from the ame facts observed by the other experts who had visited the mine, and hich Mr. Lyon and myself already knew. He (L.) and I discussed his opinion, and we both agreed then, as I would say now, that the pinion of Mr. Raymond, who, with however much of scientific geological nowledge, had little, if any, practical mining experience, was worth less han that of either of the experienced miners who had inspected the ine under our order of survey. We had both seen this demonstrated ery often. So little impression did this make on me that I never menioned it to Mr. Stewart, when I arrived at New York, and I have no eason to suppose that Lyon did. Subsequently, developments have hown that we were right, and Mr. Raymond wrong, for, as I am inormed, the Flagstaff, the next mine but one adjoining the Emma on the ame vein, has now a fine body of ore at the depth of one thousand feet, hus demonstrating that this is a true vein.

Q. In a letter written by Mr. Stewart, dated August 5, 1875, and said by yon to have been carried by you to Salt Lake, Mr. Stewart speaks of a vorked-out mine. Will you explain the circumstances under which that etter was written?—A. With reference to that I will say, this construcion attempted now to be placed by Mr. Lyon on a certain passage in the etter of Mr. Stewart dated August 5, and which I took out from New York, is entirely incorrect, and totally different from that which he laced upon it when it was received. Mr. Stewart, referring to the proposed contract of settlement, says: "The plan has this advantage, that we will not be fighting for a worked-out mine." Mr. Lyon says that this

means that the mine at that time was worked out, or nearly so. I know that such was not its meaning, and that neither Mr. Stewart, nor Mr. Lyon so understood it. The difficulty with our litigation, as Stewart, Lyon, and myself had often talked it over, was that, however good Lyon's claim might be, (and Stewart and I both then believed it to be good for one-third,) yet as the other party was in possession and working very rapidly, having taken out, as claimed, near $2,000,000 in about fourteen months—as we had been denied any injunction or receiver, as, under Judge McKean's ruling about a jury, we had no chance for a trial in Utah for an indefinite period, and Judge Curtis being in Europe the reference had fallen through, and as there would undoubtedly be an appeal to the supreme court of the Territory, and after that an appeal to the supreme court of the United States, where, as we were informed, the calendar was between two and three years behind, we were convinced that it would be several years before we could get any final judgment, and if the working of the mine should be proceeded with as rapidly as theretofore, this bonanza, though containing $5,000,000, or even twice that sum, might, and from all experience on the Comstock and elsewhere, probably would be, exhausted and practically worthless so far as regarded the bonanza in sight, and which constituted the main selling-value of the mine in our judgment. In common mining parlance, a mine is often spoken of as worked out when the discovered ore-bodies are exhausted so that there is no ore in sight, although prospecting continues and the chance of striking a new body is of more or less value. We all knew, and it had frequently been talked of between us, that after a corporation had distributed its property in dividends to private stockholders it would be an almost hopeless task to try to collect anything in suits for damages. It was this consideration which mainly induced the making of the contract referred to in the letter, and which in our opinion constituted its chief value. On reading the contract it will be seen that all that it actually accomplished, all that is not contingent or elective, is that one-third of this property shall be put into the hands of a receiver to abide the result of the litigation. It was in view of this that Mr. Stewart wrote "that under the plan we would not be fighting for a worked-out mine," and the next sentence in the letter shows this very clearly when he says, "The litigation will not be injured, and if we gain the case we will recover something besides the right to bring other lawsuits." When I took this letter and proposed contract to Mr. Lyon I remained in Salt Lake several days and had frequent conversations on the subject, and I never heard Mr. Lyon intimate an opinion that this letter meant anything else than as I have above explained it to mean.

Q. Lyon in his testimony represents that the true consideration with him in the litigation and settlement was not the real value of the mine at that time, but the proceeds which had been taken out previously. What do you know with reference to the correctness of that statement?—A. I could say that all the expressions in Mr. Lyon's printed testimony, in which he says or insinuates that what had already been taken out of this mine was, with either party, the important consideration in the proposed settlement, is entirely incorrect. This had been frequently talked over, and Mr. Lyon understood as well as we did that there was little to be hoped for from that quarter. The mine had already passed under four distinct ownerships, the locators, the Walker Brothers, and others who purchased from them, and held as a partnership, the Emma Mining Company, of Utah, a corporation, and the Emma Mining Company of New York, a corporation, who then held the title. The right,

fter the establishment of our title, to pursue the proceeds thus distributed was of very little value, and was so considered by all of us. It as in no way treated as a basis for settlement during the negotiations or made so by the contract. How little importance was attached to it is hown by the contract itself. The Emma Mining Company of New ork, with whom the contract was made, had held the title to the mine or only three or four months. A large portion of the $2,000,000, said o have been extracted, had been taken out by its predecessors in nterest; yet there is nothing in the contract which prevented Lyon t any time from suing these parties for the proceeds so extracted. It ad not occurred to the parties to provide against this. They dealt with he $500,000 then in the treasury of the company, (with Walker Bros.,) nd undistributed, as constituting a part of the property, and provided or the deposit of one-third of what would remain of this sum after naking certain payments indefinite in amount, (the sum to be deposited eing therefore something less than $125,000,) and as to the remainder f what had been extracted made no provision whatever, leaving Lyon t liberty to sue either the locators, the Walker Brothers' partnership, r the Emma Mining Company of Utah, to recover these proceeds if e thought it worth while. After the contract was executed Lyon came o me in New York and inquired whether by the contract he was prevented from suing to recover these proceeds, and I told him he was ot. He has never, so far as I can learn, commenced any suit.

Q. Lyon appears to say in his testimony that he was misled by the tatements and promises of Mr. Stewart in making the contract of settlement. What do you know about that?—A. In regard to the understanding of Lyon at the time of making the contract of settlement, I m confident that he was not in any way deceived by Mr. Stewart. When I showed him the proposed agreement at Salt Lake, he expressed imself as disappointed that an arrangement could not have been made or the absolute payment of a certain sum of money or a certain sum ut of the first proceeds of the mine, or of a sale. I told him I would ave preferred it also, but was satisfied it could not be done. We both greed that the contract as proposed was vastly preferable to allowing hings to remain as they were, for the reason stated by Mr. Stewart, hat it secured the preservation of one-third of the property in some hape, in the hands of a receiver, to abide the event of the litigation owever protracted. He was unqualifiedly in favor of making this contract if we could not get a better one. On arriving at New York Mr. Stewart told him he had signed the contract because he wished the ther side committed as far as possible, and was afraid of delay, but hat it was subject to the modification of Lyon. After talking the matter over, Lyon ratified it, and expressed himself as not only satisfied, but very much pleased that it had been made. He did not understand that we were to get $500,000 absolutely in case of a sale. He knew the chances of getting this amount just as well as Mr. Stewart or myself. The $500,000 was fixed by the contract as the outside limit which his interest would receive in event of a successful sale—for this amount he was bound to accept in full—but either of us would have discounted it largely (one-half I have no doubt) for cash or an absolute promise to pay without any contingency of sale or litigation.

Q. Were you at Salt Lake in 1872, and if so, what did you then learn in reference to the appearance and value of this mine?—A. In July or August, 1872, I went at the request of Stewart and Park for the English company to whom the mine had been sold, to assist in procuring an injunction against the *Illinois Tunnel* Company. At that time I

took the affidavits of several persons who had recently visited and among the rest an engineer by the name of Stevenson judgment I had confidence. All these persons spoke well of and Stevenson told me that in his opinion there was then 5,(dollars in sight. From all I then learned, I believed the ı valuable than when it had been sold.

Q. I want you to state to the committee (inasmuch as Ly testimony, has sworn to alleged conversations between himse Park, and admissions made by Mr. Park) what you know o tions personally existing between Lyon and Mr. Park at that As to the abusive language said by Lyon to have been used b to him respecting Park, and by Park to him respecting Stev only say that I never heard of any such thing from Lyon or an Mr. Park and Mr. Stewart were old acquaintances, and friendly, and had frequent conversations together during o Salt Lake.

On the other hand, Mr. Lyon and Mr. Park were not frie so far as I remember, did not speak to each other. On the for the order of survey before Judge McKean, Park, in th a short speech, denounced Lyon as a blackmailer and perjurer. such language not only uncalled for, but entirely inexcusabl as much as this and something more in my reply. Mr. Lyon to be, and I think was, too much incensed against Park to much less a confidential, communication with him subseque had no reason to suppose that Mr. Park would have consent communication with Lyon. In fact, and for this reason as I the negotiations for settlement were, so far as I knew, conduc by Mr. Park and Mr. Stewart. The first I heard of any su tion based on the proposition of obtaining a patent was after to Washington, in the latter part of July, and I heard it from art.

Q. You have read your answers, Mr. Hillyer, from a manus Yes, sir.

Q. I desire you to state whether that manuscript was prepar own suggestion, or at that of any of the parties interested quiry?—A. It was prepared just in this way: I had been w a couple of weeks to try and be examined in this case, and day morning I went and told Mr. Stewart that telegrams recei compelled me to go. We went to Mr. Chittenden's room and I to him whether or no I should make a written statement here to it and be cross-examined either after I came back or by inte sent to me, and they thought at that time that it could be d suggested the points, on looking over the testimony, upon w wished to ask me questions and toward which my statement directed. I went to my room and wrote out these answers su They were as they are now. The only change in them I ma on looking them over afterward.

Q. Then the manuscript was prepared by yourself and n assistance of any of the counsel or parties in interest?—A. should have been very willing to have talked with the parties o one else about it, but as soon as they had indicated their q knew, I suppose, as well as any one, what I wanted to say in them.

Adjourned.

WASHINGTON, D. C., *April* 4, 1876.

CURTIS J. HILLYER recalled.

The chairman asked whether any member of the committee desired to interrogate the witness.

No member signified such desire.

Mr. PHELPS suggested that the evidence of the witness taken yesterday should be regarded as regularly before the committee, and should be printed with the current testimony.

It was so ordered.

JAMES M. DAY sworn and examined.

The CHAIRMAN. State what you know about this Emma Mine case, so far as it has any connection with General Schenck, and give such a statement as you may desire to present to this committee.

The WITNESS. I think I know but little in regard to the case pending before the committee so far as General Schenck is concerned. I do not believe that I know anything. My connection with the Emma Mine originated before it was known as the Emma Mine. As early as the 1st of September, 1868, I became interested in what was afterward the Emma Mine. It was then merely the showing of top-ore on the mountain-side. My connection with it continued until about the 28th of July, 1871, when I sold my remaining interest in it to Trenor W. Park. It was previous to its being placed on the London market. Therefore, I can safely say that I have no knowledge in regard to the transaction as far as General Schenck is concerned.

By Mr. SPRINGER:

Q. Have you any further general statement to make?—A. No, sir, nothing. The chairman required to know nothing from me except what relates to the case before the committee, and in regard to General Schenck's connection with it. I have nothing to say further.

Q. When did you dispose of your interest in it?—A. I think on the 28th of July, 1871.

Q. Of what did your interest consist?—A. It consisted at that time of one-sixteenth of the property,

Q. What did the property consist of?—A. When I say that my interest consisted of one-sixteenth, I mean that it included the mine proper; the appurtenances thereunto belonging; the ore in transit, and the money in the hands of the company.

Q. What price did you receive from Mr. Park for that one-sixteenth interest?—A. I received at the rate, if I recollect rightly, of a million and a half for the entire property.

Q. On what basis was that value estimated?—A. I do not know on what basis Mr. Park may have estimated it; my own estimate was made on the value of the ore in transit, the money on hand belonging to the company and the mine as it then stood.

Q. Can you analyze the value of each of those items approximately, how much on the ore in transit at that time?—A. I can itemize it so far as my memory serves me, but I have no notes. This thing can be reached through other sources. I think that, so far as concerns the value of the ore in transit and the money in the hands of the company at that time, it reached, perhaps, $900,000—from $700,000 to $900,000.

Q. How much of that was money in hand undivided?—A. Perhaps a little more than the amount estimated for the ore, $500,000 or $600,000, I imagine.

Q. Where was that money?—A. That money must have been in the

hands of the treasurer, or of the directors of the company. It was a corporation of the State of New York, and was then known as the Emma Silver Mining Company of New York.

Q. That was the company of which you owned a sixteenth interest at the time of this sale in July, 1871?—A. Yes, sir.

Q. And you estimated at that time the value of the whole property at $1,500,000?—A. That was the value I put upon it. And that value was placed upon the mine including the ores, and the money in hand. I think it also included a dividend that had been declared.

Q. Was that a dividend of five per cent.?—A. I think so.

Q. Do you know how many shares the capital stock was divided into at that time?—A. I do not.

Q. What you state is that the value at that time was placed by you at $1,500,000. Was that the estimate of the directors of the Emma Silver-Mining Company of New York?—A. I think not, but I cannot say.

Q. Was that the estimate which Mr. Park put upon it?—A. Mr. Park in my presence never made any estimate, directly. He ascertained my figures for my interest, and never said a word for or against them.

Q. Did you have your dealings with Mr. Park directly?—A. All through.

Q. What did he say that he proposed to do with the property?—A. At the time he contemplated putting it on the London market.

Q. Did he state at what price he proposed to put it on the London market?—A. He did not.

Q. What was the value put by you on the mine as it then existed; I mean the mine by itself?—A. I had not seen the mine for some time. I put the mine as worth the difference between the ore and money on hand and a million and a half of dollars.

Q. How recently had you been at the mine?—A. In the February previous to Mr. Park buying me out, which was in July, 1871.

Q. Had you an agent there?—A. I had a nephew there who acted as my agent and correspondent.

Q. Did you have correspondence with him and advice in regard to the condition of the mine?—A. Yes.

Q. You were well advised as to the condition of the mine at that time?—A. As well as I could be with the judgment of an inexperienced man, as he was.

Q. Did you have any conference at the time of the sale with your associate owners in Salt Lake or in Illinois?—A. Not for several months. I had not been to Salt Lake since the February previous to my selling. I met Mr. Park in Chicago.

Q. Did you have any conference or communication with Mr. Chisholm?—A. I did, at the time I met Mr. Park, with the view of making the sale to him. Mr. Chisholm met me by appointment at the Sherman House in Chicago. That is the only time that I can recollect meeting him, from the February previous.

Q. Do you know what Mr. Chisholm's interest in the property was?—A. Mr. Chisholm's interest was one-eighth; he originally owned one-fourth.

Q. Was he anxious to sell or not?—A. At the time I made the sale to Mr. Park at the Sherman House, Mr. Chisholm met me there by appointment. I told him what I was going to do, and that the reason for my telling him was that I felt it to be my duty, from the fact that we had been together in mining companies so much. I told him that I expected to sell my remaining interest in the Emma Mine to Mr. Park;

and that Mr. Park was to meet me there by appointment. And I asked him if he was disposed to sell his interest. He said, "Yes; if you are going out, I want to go out, too." These were his exact words. I gave him my reasons for wishing to sell. My principal reason for desiring to get out was that by the sale of the undivided half of the property, which had been previously made to T. W. Park and H. H. Baxter, of New York, the control over the property was thrown into their hands, and I was thrown out of the control over it. At least, I so considered it; and I always made it a rule never to have anything to do with a mine unless I could have something to say in regard to its management.

Q. The controlling interest, then, was out of your reach?—A. I so understood it.

Q. Had you any advice which you deemed reliable as to the probable continuance of the mine or whether it had become exhausted?—A. Only in a speculative way. Nothing that I deemed reliable.

Q. What do you mean by a "speculative way?"—A. Different men differ in these things. It would be a mere difference of opinion. My advice, so far as I had any, was to get out the first favorable opportunity; but it came from a source on one hand which I did not think competent to give advice, and from a source on another hand on whose judgment I would not place the same reliance as I would on my own.

Q. Did you have reason to suspect that there was an effort in that way to get it at a lower price than it was worth?—A. No, sir; I think that the men who were advising me were advising me honestly.

Q. Who are those who advised you to sell?—A. Those who advised me to sell by correspondence, I think, acted honestly with me. They were anxious that I should get out at a good figure. They were men who were not in the habit of speculating much in such things themselves, and were usually satisfied with little money.

Q. You thought them over-anxious, did you?—A. Yes.

Q. Give the committee the names of those gentlemen.—A. One of them was my nephew, James M. Day.

Q. Who were the others?—A. Another was the superintendent of the mine, James T. Matthews.

Q. Any others?—A. That is all that I can bring to mind now.

By the CHAIRMAN:

Q. Was Matthews a professional man—an engineer?—A. He claimed to be. He was in charge of the mine at that time.

By Mr. SPRINGER:

Q. In whose employment was Mr. Matthews?—A. In the employment of the company.

Q. Under whose directions was he operating the mine?—A. So far as the work of the mine was concerned, up to the time that Park and Baxter bought it, I had the management of it; that is, Matthews managed it under my instructions. After Park and Baxter bought the undivided half of the property the control went into their hands, and I had nothing to say.

Q. Then Mr. Matthews was under a different control from yours?—A. Yes, sir.

Q. While he was not operating as your employé, but was in the employment of others, what information did he give you with reference to the endurance, or probable endurance, of this mine?—A. From the time of the sale of the undivided half of the property to Park and Baxter, up to the time that I sold my remaining interest in it to Mr. Park, Mr. Mat-

thews, I think, managed the mine, and so far as I knew, there were no new developments made in the way of explorations; at least I was not informed that there were.

Q. When did you receive the advice that you mentioned?—A. My advice began about the time that I visited the mine last during my interest in it, which was in February, 1871.

Q. And continued on down to the time you sold?—A. It continued from that at intervals up to the time I sold.

Q. Have you the letters of Mr. Matthews, which he wrote to you on that subject?—A. I do not know that I have. When I received the summons to appear before this committee, I was away from home on my way to California. It is possible I may have those letters at home, or it may be that they are burned. I burn a great many of my letters; but I am inclined to think that I have some, at least, of these.

Q. Have you any objection to transmitting the original letters to the committee, if you can find them?—A. No, sir; I have not. There is nothing in them of a private nature.

Q. You say that those letters advised you to dispose of your interest.—A. I cannot say that those letters advised me to do so; but my advice from Mr. Mathews, either in the last conversation that I had with him or in these letters, after that time, was that, in his opinion, I had better get out the first favorable opportunity, or something to that effect.

Q. Did he assign the reason?—A. He gave me his reasons, and I went on to look into the mine in order to satisfy myself what his opinion was based upon.

Q. State what occurred when you went there.—A. I think his opinion was based upon the development at the bottom of the 58-foot shaft in the tunnel or level running into the mine at the northern end. That shaft was sunk on a foot-wall to the depth of 58 feet, and it was on the explorations reached on that level that he based his opinion in regard to its continuance.

Q. What was that opinion?—A. It was unfavorable to its going deeper.

Q. It was his opinion that they had struck bottom?—A. That they had struck bottom; and yet there was ore at the bottom of higher grade than we had ever found.

Q. What opinion did you form at that time?—A. My own opinion was, that with any mining-man there was nothing particular to frighten him.

Q. You did not regard Mr. Mathews's judgment as good?—A. I considered that he was a little wild upon that.

Q. That was the basis of the information that you got from Mr. Mathews?—A. He seemed to form his opinion from that development.

Q. What time was it that you went to the mine when you formed this opinion?—A. Some time in the month of February, 1871.

Q. You say that your nephew acted there as your agent?—A. He acted as my agent, and held my power of attorney for that purpose at the time that the sale was made to Park and Baxter. The figures that were set on the value of the property when I left Salt Lake in the February previous, by agreement with all the parties concerned, was $1,500,000.

Q. Who were all the parties who made that estimate, that the mine was worth $1,500,000 in February, 1871?

Mr. CHITTENDEN. We will give you the names.

Q. The estimate was made that the property on hand and the value of the mine, as it stood, was $1,500,000?—A. Yes. That was in Febru-

ry, 1871. I might throw some little light on the matter by stating the value that was put upon the property from time to time for six months previously.

Mr. SPRINGER. You may state it.

The WITNESS. The first intimation that the Emma Company, as a company, had about selling the mine was, I think, some time in September or October, 1870. It was about the time, or at the time, of the litigation with Mr. Lyon; about the time it commenced or during the time it was going on. There was a party of San Francisco gentlemen who came up there, with all of whom I was acquainted—Green and Gashwilder, of San Francisco, and Waddingham, of Colorado. They got our figures on the property, which were $400,000 in gold. That, I think, was in October, 1870. They had so many days to consider our proposition to sell, which was to be a cash sale. In the mean time, they had free access to our books and to the mine, and had all the information that we could give them which they desired. They took their time to inspect the mine. I think that ten days was given them to make the examination and to conclude what they were willing to do. Within the prescribed time, and after making an examination, they came and had an interview with us, and declined taking the property at that figure. They were all mining-men. They said that they could not see the money in it. A short time afterward Mr. William Lent, of San Francisco, and his party, came with their mining-experts. They had heard the reports of Green and Gashwilder after they had returned to San Francisco. They visited the locality for the purpose of buying the mine. In the mean time, our work had progressed along as usual. We had been shipping ore and getting our returns regularly, but only two or three weeks had intervened from the visiting of the one party until the arrival of the other party. Mr. Lent being well acquainted with me, sought an interview, and asked my figures on the property. I told him that we had no figures, that we had really set no price at the time, but that I would have an interview with the parties interested and let him know in a few hours. I did so, and we came to the conclusion that we would take $1,200,000 for the property.

Q. State how long this was from the time that you had made the estimate at $400,000.—A. I think I have stated that it was some three or four weeks. There could not have been over four weeks intervening from the time that the one party visited the mine until the other party came. Mr. Lent and his party had a mining-engineer with them to make an examination of the property, if the price should suit. This was Mr. Jannin, a mining-engineer, whose reputation stood quite high. I think that his opinion of mines was taken in that country in preference to that of any other expert who followed the business there. This party had free access to our books, and to everything in the mine; and, after making an examination, Mr. Jannin reported unfavorably.

Q. Please to repeat that statement.—A. After having employed time in making this examination, Mr. Jannin, the mining-expert, who was brought there by Mr. Lent, reported unfavorably to the purchase.

Mr. PHELPS. That was on your proposed price of $1,200,000?

The WITNESS. Yes, sir.

Mr. SPRINGER. What was the date of that report?—A. I cannot say, but I think it was in January, 1871.

By Mr. MONROE:

Q. Were you intending to explain the grounds on which this increased estimate from $400,000 to $1,200,000 was made?—A. No; I have not made any explanation of that.

Q. What was the cause of that large increase in the estimated value of the property?—A. The developments in the mine during those three weeks intervening between the visits of the two parties showed the mine to be worth a great deal more money than we had ever valued it at. We had cross-cut it at different points, and found that the body of ore was larger than we had anticipated. We had really never found its walls before.

By Mr. WILLIAMS:

Q. Then the Lent party must have been there in November, 1870?—A. Yes; if the other party was there in October.

Q. Did the engineer take from November until January to make up his report?—A. I think I am mistaken about the date of his report. I think that the examination was made by the first party in October, and, if so, the visit of the other party must have been in November. I know that there was but a short time intervening, but it must have been longer than my memory now suggests. The visiting of the first party induced the other party to come, because they were all acquainted, and they talked the matter over in San Francisco. Before they declined to take the property at our price, Mr. Ten Eyck, I think, approached me and said, "If you fail to make a sale to these parties, I think that I can find a party who will pay you a million and a half for that property." Said I, "Very well, you can have the next chance at the property if these parties fail to take it." They did fail to take it, and I waited on Mr. Ten Eyck and told him that the property was for sale again. About that time, the next day or two afterward, I left Salt Lake. That was in February, 1871. I came to my home in Illinois, near Galena, some time, I think, in April. I had information there that Park and Baxter had bought an undivided half of the property at $375,000. I was dissatisfied with the sale because we had an agreement when we left there that we would take nothing less than $1,500,000 for the property. In the mean time I had the controlling interest tied up by bonds. Captain Smith's and Robert Chisholm's and my own interest controlled the mine, and so long as I could keep it in that condition I had the control of it as a manager. But I found that the sale of the undivided half of the property had been made to Park and Baxter, of New York, men with whom I had no acquaintance, and that the result was that the control of the property had gone into their hands by agreement, as I was informed. I was dissatisfied, in the first place, from the fact that I did not believe that we had got the value of our property, and in the next place I was dissatisfied on account of the control going into these hands, leaving me entirely out, as I considered. And from that time I resolved to get out the first favorable opportunity, not from any fears which I had of the mine at all, but from the fact that for my 40-odd years' experience from my boyhood up, I had made up my mind not to have anything to do with a mine unless I could control it.

By Mr. SPRINGER:

Q. What developments or discoveries were made in the mine between February, 1871, and July, 1871, when you sold it?—A. I was not there, and I only know from hearsay.

Q. What were your means of information?—A. My means of information came mostly from my nephew.

Q. He was your agent there?—A. Yes, sir.

Q. State what your nephew was doing there.—A. He was acting for me there. He knew perhaps about what new developments there were made. He had a chance to go to the mine and go in at any time that he

sired to, but his experience in mining was very limited, and I did not ly as much on his judgment as I did on that of Mr. Mathews.

Q. How old is your nephew?—A. He was old enough to have judgment in the matter. He was thirty years of age.

Q. How much experience in mining had he had?—A. He had been in a mining-country all his life, but he had never worked in mining.

Q. Was he a man of reasonable intelligence?—A. I consider him so.

Q. What was the substance of his communication to you?—A. I was dissatisfied with his first transaction as my agent in the sale of the undivided half of the property to Park and Baxter, and in consequence of that dissatisfaction he felt a great interest in having me get out of my remaining interest to advantage. I think he informed me by letter (I will not be positive about it, but I had information from some source) that Mr. Park knew that I felt dissatisfied with the transaction, and that I did not want to be concerned with the company any further, and that Mr. Park would make me a liberal offer for my remaining interest. It is through my nephew, I think, that I got my information. I think he stated in his letter that he had had an interview with Mr. Park, and he wrote the substance of that interview. He knew that I had put the price of the property at $1,500,000, and he wrote to me that Mr. Park would buy my remaining interest and pay me at that rate, if I were disposed to go out. He seemed to take it to heart a good deal to think that I was not satisfied with his signing the agreement for the first sale. I believe he was the last one to sign it, and that he hesitated and only acted under the advice of counsel.

Q. What was the price paid at that first sale?—A. Three hundred and seventy-five thousand dollars for the undivided half of the property.

Q. Did that include the ores on hand?—A. I think it included everything. As far as my sale was concerned, it did.

Q. Was there any money on hand at the time of the first sale and which passed with the sale?—A. There was money on hand, but I do not think that any portion of it went with that sale.

By Mr. FORNEY:

Q. What was the date of that sale of the undivided half of the property for $375,000?—A. I think it was either March or April, 1871.

By Mr. SPRINGER:

Q. Your interest was sold for how much?—A. At that sale the undivided half of the property was sold for $375,000, but the whole of it was estimated to be worth a good deal more than that at that time. I do not think that the company would have taken that money for it.

Q. What was that based upon?—A. I do not think that the company would have been willing to sell the entire property in the condition that it then was for less than $1,500,000; but they seemed to think that it would be a great advantage to get such men as Park and Baxter into the enterprise, and they were willing to sell an undivided half to them at a less price, and to throw the control of the entire enterprise into their hands.

By Mr. SPRINGER:

Q. What quantity of ores were to pass with that sale?—A. I cannot give the figures.

Q. Can you approximate?—A. I cannot.

Q. What information did you have which you deemed reliable, from your agent or from Mr. Mathews, between the date of that sale and the date of the sale to Mr. Park, in July, of new explorations or discoveries

of ores in that mine?—A. The only new development that I had knowledge of being made was simply in the northwestern direction think that the body of ore extended farther out to the northwest we had anticipated. I think that such information came to me the same source that I got all my information from. It was under that the body of ore was really more than Mathews had suppos was in his previous estimate.

Q. Did Mathews continue advising you, from the first sale t second, that you had better sell out?—A. I think that all the adv ever gave me was to that effect.

Q. And his reason, as I understand you, was that he though mine was exhausted, or was in danger of being exhausted?

Mr. CHITTENDEN. The witness has said nothing of that sort.

Q. State what occurred when you were at the bottom of the sl A. It was on the developments made at that level that he bas opinion.

Q. What was his opinion?—A. That the mine would not run great depth; that it gave indications of coming to a point at tha

Q. He adhered to that opinion, did he not?—A. He adhered t opinion right through, so far as I knew.

Q. So far as you know now, do you not know that that opini right?—A. I know that it was right so far as my own observati knowledge of that body of ore go.

Q. Has not time proved that he was right about that?—A. think not in every particular.

Q. Has it not done so in the main?—A. In the main, it has. body of ore was closed out nearly about that level. It ran, as ne I have been able to inform myself, into a vein instead of a pock was then in the shape of a pocket, but it seemed to set into a vei vein, I presume, can be found there, as I have no doubt but that tl is there. But the body of ore from which we extracted such an im quantity of valuable ore is in a great measure exhausted. That to be a deposit rather than a vein.

Q. And that is exhausted?—A. I do not know that it is exh My advices are that the best part of it, at least, is taken out.

Q. Did you have any advice of any large discovery of ore being between the periods of the two sales which you have mentioned I do not know that I had; but from some source I got the informa really cannot say where or from whom) that the body of ore see be larger than was anticipated by us at the time I visited the mi The drifts running in a northwestern direction to the ore-bed had borne farther to the north than we had anticipated when we ma plication for the patent. We thought then that we had the bed well defined as to its course.

Q. You say that you have no doubt that there is a vein ther you not as liable to find a vein anywhere else in that range as that ore-bed?—A. Not so liable.

Q. If there is a vein there, it has not been discovered in w quantity?—A. The reason why I answer in this way is, that in perience of mining I have never found a deposit of ore withou being a vein somewhere about. These deposits of ore are usual nected together with a vein.

Q. Has the vein connecting that been developed yet or discove A. The vein has been discovered. It leads off from that deposit

Q. Where does it lead?—A. In the northeastern and southv direction.

Q. If it leads off in a northeastern direction, how far off is it from what is called the Brunner claim?—A. I think that the limits of the Brunner claim coming in that direction are 350 or 400 feet off.

Q. How much is that vein worth per linear foot as it stands in the mine, running in that direction until it strikes the Brunner claim?—A. I cannot give an estimate as to its value. It would be impossible for any man to do so.

Q. How large is this vein?—A. The last time I saw the vein it was a foot and a half in thickness.

Q. A vein of 300 feet in length and of that thickness of ore would not be of any great value?—A. I should not regard it as of any great value. except as an indicator of another deposit. (Witness, by means of a sheet of letter-paper, indicates what is meant by the thickness of a vein, being its breadth and not its depth.)

Q. The depths of the vein you do not know?—A. Of course not; nobody can tell.

Q. You have no estimate as to how that lode may turn out?—A. No, sir; I have not.

Q. Has it been worked in that direction beyond the deposit?—A. I think that some work has been done beyond the deposit.

Q. Do you know what value of ore has been taken out after the vein leaves the deposit going toward the Brunner claim?—A. No, sir.

Q. Do you know whether any ore was taken out of that lode up to the time of your sale to Mr. Park?—A. No, sir.

Q. Had any been taken beyond that deposit?—A. Not that I know of.

Q. What did you estimate as the value of the ore in the deposits at the time you made the sale to Park?—A. Allowing it to go no deeper than the 58 feet to which the development had gone, I think I will be safe in saying that it was good for a million of dollars of net profits.

Mr. PHELPS. Assuming that it never went below the 58 feet?

The WITNESS. Assuming that.

Q. There was that much ore then in sight?—A. I think that with the management which had characterized the company's work previous to that, I would be safe in saying that from the time I sold my last interest to Mr. Park until that bed of ore was exhausted, one million of dollars could have been netted.

Q. What did you estimate as the value of the ore per ton at the foot of the 58-foot shaft?—A. I think that we had tests made of the ore, and that it assayed higher at that level than at any level above. That is, where it formed into this vein that I spoke of, the ore seemed to be richer; the base metal seemed to decrease and the precious metal to increase as we went down in depth; that is, the silver increased and the lead decreased.

Q. If the ore had been exhausted from the deposit, you think the company could have netted one million dollars from the ore in the deposit?—A. I think that, from the working of that deposit of ore, from the time I sold my interest to Park, (with an economical working of that deposit,) I would be safe in saying that a million of dollars could be realized from the mine.

Q. I understand you to say (that being your estimate) that when you sold to Park, in 1872, you were of opinion that you were selling him a million dollars of ore in sight?—A. Yes.

Q. Aside from that vein that you speak of, was there any other ore to be found in sight in that mine which could have been reported by any honest investigation of it?—A. Not that I am aware of, outside of that vein and deposit.

Q. Did you know when Professor Silliman went there, on the 16th of October?—A. Only from hearsay.

Q. Was your agent there at that time?—A. My agent was there in that month.

Q. Do you know whether any additional discoveries of ore were ever made there, aside from the deposit of which you speak, and of the vein leading therefrom, which you have described?—A. There was a deposit of ore found by the workmen under the direction of the superintendent of the company, in a northwest direction.

Q. When was that?—A. The first knowledge I had of it was in April, 1872, I think.

Q. Did you ever learn what was the nature of that discovery?—A. It was a small deposit in appearance.

Q. You never investigated it yourself?—A. I have been in at the working.

Q. Since you sold it?—A. Since I sold it to Mr. Park, I have been in where this working was.

Q. When was that?—A. I think it was in July, 1872.

Q. Mr. Park was there at that time?—A. Yes.

Q. Was Mr. Hussey there?—A. Yes; but Hussey was not one of the party who visited the mine.

Q. Was that the time when Hussey, Silliman, and Willyams were out there?—A. No, sir. If they were there, I do not know. It was at the time that the Illinois Tunnel Company had their difficulty with the Emma Company before Judge McKean.

Q. How long did Mathews continue in charge of the mine after you sold it?—A. Not long. I do not know that he did at all.

Q. Who succeeded him?—A. I think Mr. Silas Williams.

Q. Who appointed Mr. Williams?—A. I do not know.

Q. Do you know the reason why Mathews was relieved from duty?—A. I do not know. I never heard any reason assigned.

Q. Do you know whether, when Mr. Mathews went out, the force of workmen was diminished or increased?—A. I do not know, not being there.

Q. Were you invited by Mr. Park to accompany him to Europe in regard to the sale of this mine?—A. At the time that we met in Chicago my object was to sell, and Mr. Park was there to buy, or to induce me to remain in the mine. He knew that I was dissatisfied with the first sale. He learned that through my nephew. We met by appointment at the Sherman House, and talked matters over. He said that he had no objection to my price. He raised no objection to the price, but said that he would rather that interest would go with him to Europe. One reason that he assigned was that money was a little close with him at the time, and that this thing had cost him a good deal of money, and was likely to cost him a good deal more; that his associate, Baxter, was complaining a little in regard to the lavish manner in which he was spending money carrying out the enterprise, and that he thought he could make more money for me if I would let my interest go with him to Europe than in any other way.

Q. And he asked you to go with him?—A. He did not ask me to go, but my interest to go. I told him that my disposition was to sell it and be entirely free of it. We were but a few minutes coming to terms. I do not suppose that it took twenty minutes.

Q. Were you invited by him to go to Europe to represent the condition of the mine to the public?—A. Not in that way. I inferred that

rhaps he thought I could be of some advantage to him in Europe, but at was only an inference of mine. He said nothing about it.

Q. Were you informed then at what price the mine was to be offered the English market?—A. I do not think he gave me that informa-on, but my own opinion at the time was (merely from a knowledge of hat it would cost to place a property in this country properly on the arket) that he contemplated putting it in at what might be regarded s high figures.

Q. Did he state the figures?—A. I do not think he did.

Q. Do you know whether the patent had then been obtained for that ine?—A. I do not think that at the time I sold my interest to Mr. 'ark the patent was obtained. I think he told me that the pros-ect of obtaining the patent was good.

Q. Do you know who obtained the patent?—A. I do not.

Q. Do you know the circumstances under which it was obtained?—A. nly from Mr. Park.

Q. What did he state in regard to obtaining a patent?—A. I think e said that before he could expect to place the property successfully n the London market a patent would have to be obtained, and that erms of compromise were about to be entered into between our party here and the Lyon party, which would lead to a patent.

Q. What was said in regard to that?—A. I do not think I can state ne word that was used.

Q. Did he state who was to obtain the patent in Washington?—A. le may have stated it, but I do not recollect.

Q. Was anything said as to what it would cost to obtain the patent?—. Not that I can recollect. I afterward, either at the request of Mr. 'ark or Mr. Baxter, or both, went to New York to conclude our busi-ess in regard to this purchase which he had made from me. I think I 'as there the very day that Park and Stewart left on the steamer for 'urope, and I think I met Mr. Lyon at Baxter's office that day, and I hen understood from Mr. Park or Mr. Baxter that the patent was already btained.

Q. Did you understand from them, or either of them, or from Senator tewart, that any money was ever paid for the procuring of the patent?—. Not from them. I understood from another source that money had een expended for the procuring of the patent, and that I was liable for ly portion of the expense.

Q. From whom did that information come?—A. That information ame from Walker Brothers.

Q. Who were they?—A. They were bankers and merchants in Salt ake, and were interested in the Emma Mine at the time that I was.

Q. What was said about that?—A. They were my partners in the first lace, and that fact led to the settlement between the Walker Brothers id myself. We had, by agreement, placed the funds realized from the le of the ore of the Emma Mine, during the Lyon litigation, in the ands of Walker Brothers, awaiting a final adjudication of the Lyon aim. The articles of agreement had been drawn up to that effect, and I had signed them, excepting me. I was in Illinois at the time, and I id revoked the power of attorney to my nephew, in consequence of y dissatisfaction with his having signed the articles for the sale of the ndivided half of the property. I say that I had revoked his power of torney, and that there was no way of getting my signature to the arti-es of agreement except they were forwarded to me for signature. That as done, and I refused to sign them. Afterward, after I was entirely out f the Emma Mine, I called on Walker Brothers for a settlement. They

declined to settle with me, under the plea that I was not responsi not being a resident of the Territory, and that in reality they were only responsible parties liable to Mr. Lyon for any damages he mi get a judgment for. I demanded a settlement, and said that otherwi should hold them for the interest on the money, and I gave then many days to consider the matter before I should commence suit. T finally consented to settle with me, and in the settlement they brou in a bill for expenses in procuring the patent. I said to them that agreement with Park required him to pay that indebtedness, what it might be.

By Mr. PHELPS:

Q. How much was it?—A. I do not know. I said to them, "Mr. I is here in the city." It was at the time that the litigation was going and Mr. Park and Senator Stewart were attending to it on behal the Emma Company. I said that Mr. Park was in the city, and th they had any doubt as to my statement in regard to my arrangen with Mr. Park, they could send for him and confer with him. I bel they did so, and they told me that they were satisfied, and that he to pay them off, or had already done so.

Q. What was the whole amount paid for the patent, survey, everything; was it not $500?—A. I really cannot state.

By Mr. SPRINGER:

Q. What was your part of it?—A. I do not recollect.

Q. Can you approximate it?—A. No; it gave me no concern at from the fact that I knew that I was not responsible for it. What it was, it was one-sixteenth of the whole amount.

Q. You cannot approximate that in any way?—A. No, sir; I can because I knew I was not liable for it.

Q. Was your part as much as $1,000?—A. I do not recollect.

Mr. PHELPS. The entire amount for all of this was $500, inclu counsel-fees and all, and we will show that Mr. Day's portion of it one-eighth of that, and that Mr. Park paid it.

The WITNESS. Not being personally interested in it, I did not ch my mind with it, but it seems to me that it was a larger sum than I It strikes me, however, that there were other items included. I do recollect what the items were. Whatever the amount was Mr. I had to pay it, and I understood did pay it, because Walker Brot paid me my full demand.

By Mr. FORNEY:

Q. Your interest at the time you sold was one-sixteenth?—A. Y

By Mr. BANKS:

Q. You said that some one stated to you that in his opinion the was exhausted?—A. I think I said that Mr. Matthews stated that i opinion the deposit of ore was about exhausted; that was, that had reached the bottom of the deposit, not the vein.

Q. What was your opinion about it?—A. That did not agree wit own opinion.

Q. How generally was his opinion accepted by those who wer quainted with the mine?—A. There were but few other people were permitted to visit the mine, outside of the workingmen. The person ever allowed into the mine was a mining expert, a man na O'Brien, from Liverpool, for the purpose of making an estimate

quantity of ore in sight. That was in the very month when I visited the mine myself for that purpose, in October, 1871.

Q. What was his opinion?—A. We compared notes after we came out. He made a scientific measurement, or calculation as it might be termed. I term it that, at least, because that was his business, not only in Utah but in other mining countries. I have met him in a number of different mining localities, and that seemed to be his business. Knowing that I was a practical miner, and that I professed nothing of science, but that my whole knowledge of mines was in a practical way, he was desirous to get me to go through the mine with him to make a calculation. His estimate of the quantity of ore in sight was about 31,000 tons.

Q. He did not agree with Mathews?—A. I do not suppose he did; neither did Mr. O'Brien and myself agree. I estimated the quantity of ore in sight at about 9,000 tons. But mine was only a rough estimate.

Q. Do you know anybody who ageed with Mathews in his opinion that the deposit of the mine was nearly exhausted?—A. I cannot bring any one to mind now.

Q. Are you connected with the mine now?—A. No, sir.

Q. You know something of its history from the time you were first connected with it down to the time of the sale?—A. I am familiar with its history from the time I was an interested party, in 1868, up to the time that I sold out my remaining interest.

Q. Have you any knowledge of any systematic attempt being made to impose a fraudulent estimate of this mine on other people?—A. I have not.

Q. You have never known any general or systematic attempt to establish a fraudulent estimate?—A. No, sir; not of my own knowledge.

Q. Have you any reason to suppose that there was such an attempt at any time; I mean an attempt to make it appear worth a large sum of money, when it was actually worth nothing? Do you know of any systematic attempt to produce such a result as that?—A. I have no knowledge of it.

Q. Have you any reasons that would produce conviction on your mind that such an attempt was made?—A. I have no convincing reason.

By Mr. WILLIAMS:

Q. At the time you estimated the deposit, or the amount of ore remaining in the deposit, at a million dollars net, what would be your opinion (estimated on the same principle) of the value of the ore which had been taken from the mine from the time of its being opened up to the time that you made that estimate?—A. The value of the ore which had been extracted up to that time, I should think, was about the same amount.

Q. So that the mine was about one-half exhausted at that time?—A. Not half exhausted, but as far as the developments had gone to show.

Q. From all that you know of the mine now, how does your judgment correspond with the value you set upon it at the time you sold it for $1,500,000? That is, what is your opinion now as to the correctness of that estimate?—A. I think that the property at the time I sold was really worth more money than I sold for. I think that the extract of ore since that time has established that fact. I thought so at the time I was selling it.

Q. About how much was it worth, in your judgment?—A. I think it very likely that at the time I sold the remaining interest the property was worth, as a mining venture, (in the condition of everything,

$2,500,000; that is taking into consideration the quantity of ore inside, the money on hand, the property belonging to the company, &c. Taking all that into consideration, I think the property was well worth, on a venture, $2,500,000.

Q. Taking this vein, or veins, leading away from the main deposit, what, in your judgment, as an experienced miner, might you expect to find by pursuing those veins?—A. I consider the chances of opening a valuable mine there now at least 100 per cent. better than they were when we went there first.

Q. On what facts is that opinion based?—A. On the fact that our first surface-workings were done at a time when there was no development made in the district. There had not been, at that time, a 25-foot shaft sunk in the whole district, in my opinion. The district had been abandoned. Men had become disgusted with their efforts in opening mines, and had left and gone to other sections of the country. At the time we commenced opening the Emma Mine we had nothing as a guide to cause us to prosecute our labors, and we were all poor, and yet we had faith that there was a bed of ore there. We sunk through ninety-three feet of blasting rock before we found it. There was nothing on the surface to indicate that deposit except what miners call "float ore." If I recollect aright we got about 180 tons of that ore lying on the surface, as though it had slidden from the mountain. We did not know but it had come a quarter of a mile from there, rolling down the steep mountain and locating there. After exhausting that ore we found a seam running in a northwest and southeast direction, penetrating the hard rock, but without a trace of ore in it. My experience in the Illinois lead mines, in my young days, led me to conclude that the bed of ore might lie underneath. Mr. Chisholm and Mr. Woodman were the only two men that I had to consult with in regard to it, and neither of them had means for prosecuting the work. They asked me what could be done in case of finding a bed of ore. I said that our only hope would be to open the bed of ore, and that the railroad would soon give us the means of shipping the ore to market. The construction of a railroad to Salt Lake City was then in active progress. Then the question with us was whether we could hold out, or to what depth we would have to go. Of course we could not tell that, because we had no developments in the district as a guide. We continued to work for eight or nine or ten months without getting a hundred pounds of ore, until we reached a depth of 93 feet. There was a little bed, I think, at the depth of 40 feet. In all my mining experience I never knew an instance where men prosecuted their labors so energetically as we did to get through that hard rock, or under similar circumstances. Mr. Woodman was not an experienced miner, in that kind of work, and my own knowledge of mining would have caused me to abandon the work before we reached that deposit. I was called upon by Mr. Woodman, and was furnishing him with moneys from time to time, as he called for them. About the time that he struck through the cap rock on to this, he came to me to take a look at his work. I had not been there for several months, and I rode on horseback some sixty miles to the place. I was then operating in another district. When I examined it, I said to Mr. Woodman, "If this proves a valuable thing, we can only attribute it to your ignorance of mining, for I am satisfied that no experienced miner would have ever gone through that rock to reach that deposit." The reason why I place a higher value upon it now than when I began to work it is the fact that, as far as my knowledge in mining goes, the prospect of reaching the deposit of ore now is far better than it was when we commenced.

By Mr. WILLIAMS:

Q. What, in your judgment, is necessary for a proper and thorough evelopment of that mine?—A. My idea is that the practical and most conomical way of working that mine now is to put in an engine of ufficient power to do the pumping and hoisting, and set it right down n that vein right where the deposit was. The Consolidated Virginia Mine on the Comstock lode did not present so profitable a prospect as hat does. At one time that mine was condemned by scientific men.

By Mr. CHITTENDEN:

Q. You have had a good deal of experience in mining, have you not?—A. My experience in mining commenced when I was about eight years of age, in lead mines. That is 48 years ago.

Q. This is what is called a lead mine or silver-lead mine?—A. I call it a lead mine, rich in silver. We worked it for the silver, but the lead was a great help to us.

Q. Have you any doubt that the Emma Silver Mine is a true silver-vein?—A. I have not. In explanation of that answer I would say that my opinion has always been that the Emma Mine of itself and the mines along on the line of that vein, the Vallejo, the Flagstaff, &c., give stronger evidence of having a true fissure-vein underneath that is filled with silver-ore, than any vein which I have seen in all my experience in a limestone formation such as that. I visited the Eberhardt Mine in the White Pine Mountain, where there is an immense quantity of rich silver in sight, so that you can take a knife and whittle it like a Mexican dollar.

Q. Did not that very mine, the Eberhardt, once run out, and was it not abandoned for some time under the management of English owners?—A. I can only say in answer to that that I have so read.

Q. Have you any more doubt that the Emma is a true vein than you have that the Consolidated Virginia and other mines of the Comstock lode are true veins?—A. The fact of its being a true vein is not so well established by development as the fact that the others are.

Q. I understand that you have not been to this mine recently?—A. I think that the last time I visited the mine was at the time that the Illinois Company had that trouble and litigation with the Emma Company, which was about July, 1872.

Q. Have you fixed the date when you first began to contribute money for the opening of the Emma Mine?—A. I have fixed the date when I first visited the mine at about the first of September, 1868. I furnished a little money to buy supplies for a ten days' trip for Mr. Chisholm, Mr. Woodman, and myself. They had visited that locality before.

Q. When did you put in any considerable amount of money for its development?—A. My money was contributed at different times—from that time (September, 1868) up to the time that we got the mine into paying condition—which was about one year.

Q. During that time did you hear of any claim of Lyon's?—A. The first I ever heard of a claim of Lyon's was when he made an application for an injunction against the Emma Company, which was, I think, in September or October, 1870.

Q. Your residence is in Illinois?—A. It is now, and has been for the last four or five years.

Q. You had left Utah and had left your business there in the hands of your nephew, before the purchase by Park and Baxter?—A. Yes.

Q. When you left Utah personally were they not shipping the ore about as fast as it could be got down from the mountain?—A. Yes; it was so understood.

Q. Therefore you do not know that at that time there was erable amount of ore on hand?—A. No, sir. We had a contr year with the Union Pacific Railroad Company to run the through to New York, and, as the contract was near ex pushed the ore forward just as rapidly as we could extract i mine, our object being to ship all that we could within months' contract.

Q. The sale to Park and Baxter did not include any mone the hands of Walker Brothers, did it?—A. I think not.

Q. It simply included the mine and such ore as might be in sight?—A. That was my impression.

Q. At that time you also considered that, as prudent men, not part with that property for less than $1,500,000?—A. Th agreement when I left there in February.

Q. At that time you had no patent for the mine?—A. N our application for a patent was in.

Q. And it was opposed by the Lyon party?—A. Yes.

Q. At that time, then, Lyon's suit was pending, was it not

Q. At that time it was understood that there were other this mine?—A. Yes.

Q. And, taking the property in its then condition, with and subject to these litigations, you offered to sell it for half million dollars?—A. Yes.

Q. Did you guarantee any title to it?—A. I think not.

Q. There was no guarantee of any kind?—A. I think not.

Q. The purchasers took it at their own risk?—A. Yes, sir.

Q. Now, was it not represented to you by your associate reason why they were willing to sell for so small a price as $3 that it would bring in efficient aid in resisting these claims a rid of this litigation? Was it not so represented to you?— that argument was used to me in explaining the reasons wh agreed to accept less than we had agreed upon.

Q. Now, when your nephew reported that he had consen sale, you were not satisfied?—A. No, sir; I was not satisfied

Q. You thought he had sold too cheap, didn't you?—A. I was one reason. That was less money than I was willing to

Q. Was it not also represented to you that Park and Ba not buy unless they could so far control the other interests the discoverers of the mine and everybody else interested litigation was ended?—A. It was stated that they would they could control the property; they would not even pay th

Q. Was not that on account of this litigation?—A. I reall say. It was understood that was the reason why they woul

Q. You have spoken of this contract with the railroad con consequence of that, did you not understand that after t March, and up to the time of your second sale in July, was worked as rapidly as it could be to get the ore forwa paying much attention to explorations?—A. Well, I was un pression that the work was being conducted in the same man had been right along for months previously. That is, if ther any cessation of the labors, I was not informed of it.

Q. Now, from that time we understand distinctly that you ited this mine personally again until the Illinois tunnel su 1872. That is so, is it?—Yes, sir, that is so.

Q. Now, when did you next see Mr. Park after the first s never met Mr. Park, that I recollect of, until I met him in th

house, in July, 1871, for the purpose of making the sale of my last interest in the mine.

Q. Is that the contract that you made with Mr. Park for the sale of your last interest? (Showing a paper to the witness.)—A. I presume it is; I see my signature to it.

A. Just look and identify it.—A. I am satisfied it is the same.

Q. (Showing another paper.) Is that a paper which you then gave Mr. Park?—A. Yes, sir.

The papers exhibited to witness are as follows:

James M. Day's assignment to T. W. Park, July 28, 1871.

In consideration of the sum of three thousand dollars ($3,000) this day paid to me by T. W. Park, of Bennington, Vermont, and of the further sum of ninety thousand seven hundred and fifty dollars ($90,750) to be deposited to my credit, and subject to my draft, by said Park with the National Shoe and Leather Bank of the city of New York, on or before the first day of September, 1871, I hereby sell, transfer, assign, and set over to said T. W. Park three thousand one hundred and twenty-five shares (3,125) in the capital stock in the Emma Silver Mining Company of New York, together with all dividends that have been or may be declared on said stock, and the proceeds of the sales of any of said stock that has been or may be sold; said stock having been issued in payment for the entire stock I owned in the Emma Silver Mining Company of Utah, and said stock, dividends, and proceeds; held by H. H. Baxter, Warren Hussey, J. R. Walker, and T. W. Park, with the other stock of said company in trust and I hereby direct said Baxter, Hussey, Walker, and T. W. Park to deliver to said T. W. Park all of said stock and the dividends already declared and to be declared on the same, and the proceeds of the sales of any of said stock that has been or may be sold.

Provided, always, that in case the said Park shall fail to deposit, on or before the first day of September, 1871, with the National Shoe and Leather Bank, New York, to my credit, the sum of ninety thousand seven hundred and fifty dollars, ($90,750,) this assignment shall be null and void, and said Park shall forfeit said sum of three thousand dollars this day paid by him to me.

I hereby agree that after said payment of ninety thousand seven hundred and fifty dollars, as hereinbefore provided, I will, at his request, make any further assignment or transfer that may be necessary to convey to said Park all my interest in the stock of said Emma Silver Mining Company of Utah and said Emma Silver Mining Company of New York, and all dividends that have been or may be declared on the same and the proceeds of all sales that may have been made of said stock, or any portion of it.

It is understood that I do not in any way warrant the title to the mine or the proceeds of it, and this sale does not affect in any way the earnings of the mine previous to the incorporation of the company in Utah in February last.

In witness whereof I have hereunto set my hand and seal this 28th day of July, A. D. 1871, in the city of Chicago.

[SEAL.] AMES M. DAY

Witness: T. S. HOYNE.

It is expressly understood and agreed by the parties to the aforesaid instrument that no delivery of the stock, dividends, or proceeds of sale shall be made until the payment of ninety thousand seven hundred and fifty dollars shall have been made, the same being made a condition-precedent to delivery.

JAMES M. DAY.
T. W. PARK.

Witness: T. S. HOYNE

SHERMAN HOUSE, CHICAGO, *July* 28, 1871.

This is to certify that in the sale that I have this day made to T. W. Park on condition he makes payment as provided in my assignment to him, I acted entirely on my own knowledge of the condition of the Emma Silver Mine, so called, of the claims to the same by other parties, and from information I have just received from my agent in Salt Lake, and was not influenced by any representations made by said Park. Said Park advised me of a dividend declared this month, and gave me his opinion that the Emma Silver Mining Company had a perfect title to the property they claimed, and that the claims of outside parties were without foundation and worthless. I am personally acquainted with the mine, and have been kept advised by my agent of the working the mine, its condition, and the quantity and quality of the ore produced.

I state this because in selling to my trustee (of the stock sold) he wishes it under stood that I sold with as full knowledge as he possesses, and without being influenced in any way by any representations made by him, and such are the facts.

JAMES M. DAY.

T. S. HOYNE, *Atty. for J. M. Day.*

EMMA SILVER MINING CO., OFFICE NO. 45 WALL STREET,
New York, 187 .

Rec'd, Sept. 1, 1871, of T. W. Park, the sum of ninety thousand seven hundred and fifty, in full, for that sum which was to be deposited at the National Shoe and Leather Bank, New York, on or before the 1st Sept., 1871, and this is in full payment for all my interest in the stock of the Emma Mining Co. of New York and dividends declared on said stock, which said stock I heretofore sold said Park, and he made a payment of three thousand dollars on account of such purchase by said Park.

JAMES M. DAY.

Q. Now, have not all Mr. Park's dealings with you in respect to this mine and this purchase been perfectly honorable and fair?—A. Yes, sir, they have so far as I know of them.

Q. So far as you know or believe?—A. Or believe. Yes, sir—in relation to that transaction.

Q. Now, when you made this last sale the Lyon suit was still pending, was it not?—A. Yes, sir.

Q. And those other claims. The condition of the title, in fact, was just what it was when the first sale was made, was not it?—A. Yes, about the same thing, perhaps a little worse. I do not know but that in some respects it was worse. New claims had come up, I think, during that time; at least we heard of new claims as likely to come.

Q. Did you not consider those claims and this condition of the title as very seriously diminishing the present value of your interest in the property?—A. Yes, sir.

Q. Now, sir, taking that mine just as you then understood it, with a perfect title, with all these claims wiped out, and with the developments subsequently reported by Professor Silliman, was $5,000,000 an extraordinary or extravagant price for which to put that mine upon the market compared with other American mines?—A. Well, taking into consideration the way the mine had paid us—my own company, at least—and the way the mine looked, as far as I knew from any information, with the chances of continuous litigation—is that the question?

Q. Supposing everything was clean and fair, and taken in connection with the subsequent developments reported by Professor Silliman in October, supposing them to be true?—A. Taking into consideration the prices placed upon mines in the market as a general thing, it was not an extravagant price.

Q. And if that mine should now be put under suitable American direction and supervision, have you not as much confidence in its future as you have ever had?—A. I have.

Q. You have spoken of several other mines right along on this same vein, the Flag-Staff, the Vallejo, the North Star, the Titus, and I believe there are some others; those mines have been much more largely developed than the Emma, have they not?—A. Well, work has been prosecuted more energetically, I think.

Q. And they have been carried much deeper?—A. The Flag-Staff has attained a greater depth.

Q. Something like a 1,000 feet, hasn't it?—A. Yes. The Flag-Staff is working perhaps 800 feet now, I think. The Vallejo is not working as deep, neither is the North Star and Titus, but yet their bodies of ore

seem to increase in size and in value as they increase in depth. On the same theory, I believe the Emma will do the same thing.

Q. And these developments in other mines upon the same vein serve to confirm the opinion you have expressed?—A. Yes, sir.

Q. Now, we are searching here for information; have you heard the report that directly under the lowest workings of the Emma a tunnel company has struck a body of ore—the Bay City Tunnel Company?—A. I have heard that.

Q. Have you any knowledge yourself on the subject?—A. I have not.

Q. That report originated in December last, did it not?—A. I do not recollect when I first saw it. I take a Salt Lake paper regularly, the Daily Tribune, and it is there that I think I gained most of my information in relation to this new development.

Q. You have been examined as if this vein was running off in the direction of the Bruner Mine, a distance of 300 feet or more. In your opinion, should the operations be made in that direction, or should they be made by following down the vein?—A. Were I to direct the explorations for new developments it would be to the eastward, at the eastward end of the deposit of ore that has been worked.

Q. The Bruner is westerly, is it not?—A. Yes, sir. That would be my first effort to develop new deposits, to the eastward rather than to the westward. I have a reason for that—a certain theory.

Q. You would, of course, make these developments downward at the same time?—A. Yes, sir.

Q. In all your mining experience and in all that you have ever read upon the subject, did you ever hear of, or see, a well-defined, productive vein of silver-ore the bottom or source of which was ever found?—A. I have read of such things, and I have made examinations of mines that, to all appearance, were exhausted; that is, to this extent: the valuable portion of them was exhausted, but yet there were strong indications of there being something beyond which might be reached. My experience has led me to the conclusion that there is no degree of skill that a man can arrive at in mining that will justify him in saying that the end of a vein had been reached.

Q. Of course you are aware that there are silver-veins that have been worked and are still being worked.—A. I had some experience on the Comstock lode, and I presume I was one of the first white men that ever prospected on the Comstock vein.

Q. Won't you tell us about the experience in going down on that Comstock vein, whether at least the ore has not given out as effectively as it is reported to have done here?—A. Well, no doubt the most of the committee, and every person present, has read of the valuable deposits on the Comstock from time to time. I had some experience as superintendent on the Comstock, and had an experience as a common laborer on the Comstock vein; and at one time, when I was superintending the Yellow Jacket Mine, Charles Bonner, who was superintendent of the Gould & Curry at that time, was largely interested in the Yellow Jacket that I was superintending; in fact it was through him that I got my position as superintendent. The Gould & Curry at the time was the leading mine in the range. It had paid handsomely, and was paying handsomely then. He used to visit my mine frequently and made it a practice to go through the drifts with me whenever he could, and I always went down with him and took great interest in showing him through and how the work was being carried on. One day he came down and seemed to quite excited, and I said to him, "Bonner, what is the matter with you to-day?" He was a very intelligent, social gentleman, a man of a good

deal of mining experience, and quite young, too. "Well," said he, "I will tell you, Day. I have reached the bottom of the Comstock lode in the Gould & Curry." Said I, "It is not possible; I do not think that you are correct on that, Bonner; I don't think that either you or I will live to see the bottom of the Comstock." "Well," he said, "I would like to have you go up with me and to take a look at it;" and I went right along with him and went down into the works. I found the work where he supposed he had reached the bottom of the Comstock at that point, owned by the Gould & Curry Company, was about 275 feet below the surface, and instead of having reached the bottom of the vein, as he supposed, his workmen had, in sinking their winze, sunk perpendicularly, and the vein dipped outside. After making an examination of a few minutes, I said to him, "If you will have a drift run to the distance of 20 feet in this direction, and don't strike the ore, I will treat to the oysters, but if you do, you shall treat." "All right," said he. He put the workmen right to work, and in less than 20 feet the ore was struck, and the Comstock is being worked now to the depth of 2,200 feet, instead of 275.

Q. We cannot go into so much detail about it; but have there not been numerous instances upon the Comstock, especially in the case of the Consolidated Virginia, where the vein has pinched out and wholly ceased to be productive, and they have had to go down on the vein many hundred feet, and there have struck rich bonanzas of ore?—A. There are a number of instances of the kind; there is the Vulture, and the Crown Point, and the Savage, and the Gould & Curry, and the Consolidated Virginia, that at points were all poor and weak. And really, unless a man had experience in that kind of mines, he would come to the conclusion that they were exhausted. But it seems that every succeeding deposit of ore at a greater depth proves more valuable than the one before it.

Q. The Comstock mines are usually worked by Americans and under American direction, are they not?—A. I do not think there is a paying company on the range but that belongs to Americans and is under American direction, that is, to my knowledge.

Q. Do you know anything about this Mr. Atwood personally that has been spoken of here as an eminent English engineer?—A. I do not.

Q. You were subpœnaed to come here as a witness, were you not?—A. I was.

Q. Do you know by whom or at whose request?—A. I do not. I know that the subpœna came from the Sergeant-at-Arms of the House of Representatives.

Q. You have no knowledge that it came through the influence or request of General Schenck, or any of his friends, have you?—A. No, sir.

Q. Who do you understand brought you here; was it the committee?—A. I think it was caused through the committee; but where they obtained their information I do not know.

Q. Have you had the pleasure of knowing General Schenck at all previous to this inquiry?—A. I have not.

Q. Do you know him now?—A. No, sir; I presume that I should recognize the general to meet him, but I have no acquaintance with him.

Q. This is he here.—A. That is the gentleman I supposed.

By Mr. WILLIAMS:

Q. Do I understand you as saying that you think the great disappointment in the development and continued profit of this mine has come mainly from the want of energetic and proper management of the

nine by the English company?—A. I say, without hesitation, that I egard it as more the fault of the management than of the mine.

Q. Will you point out briefly what you consider those faults are?—A. In my judgment, there is a lack of proper direction of the laborers, and in exhausting the deposit of ore already in sight, without making new developments as they go along.

Q. Farther explorations?—A. Farther explorations; and the extravagant manner in which those things are done.

Adjourned.

WASHINGTON, D. C., *April* 5, 1876.

TRENOR W. PARK sworn and examined.

By the CHAIRMAN:

Question. Where do you reside?—Answer. I reside at North Bennington, Vt. I have also a winter residence at Brooklyn Heights, New York.

Q. How long have you been living in New York?—A. Most of the time since 1863. For twelve years previous up to that time I was a resident of California.

Q. Have you an office in New York?—A. Yes.

Q. What is your occupation?—A. I am president of a bank in North Bennington, which I take charge of, and have done for the last twelve years. I am also a director of a bank in New York, and am president of the Panama Railroad Company. The management of that company has been my principal occupation for the last two years.

By Mr. PHELPS:

Q. State when you first purchased an interest in the Emma Mine, what interest you purchased, at what price, and with what persons.—A. In the month of March, 1871, I was sent for to see a Mr. Irwin Davis, at the Saint Nicholas Hotel, New York, who held a bond for the purchase of the Emma Mine at $1,500,000. Mr. Davis was ill, and the bond had but a short time to run, and he proposed to me to go out to Utah, to make an examination of the mine, and offered me an interest in it, if I decided to purchase it after making the examination. That was early in March, 1871. I had previously by letters heard of the mine, but I had not had sufficient information to induce me to go out there to look at it; and my experience of mines for quite a number of years before that was such as rather tended to keep me out of any new mining operations. Mr. Davis sent for Mr. Williams and Mr. Hussey, who were then two of the largest owners of the mine, to come there and to explain it to me. These gentlemen resided at Salt Lake, but they were then in New York. They came to Mr. Davis's room, exhibited to me maps of the mine showing the interior of it, (which I understood very readily, having worked mines before,) and showed me a statement of the earnings of the mine, and stated its previous history.

Q. Have you that statement with you?—A. I have.

The witness produced the statement, which was ordered to be put in evidence.

(Witness continuing.)

I talked with General Baxter about it, and we decided to go out to Utah and take a look at the mine. We went out. I kept a memorandum-book at that time, and will refer to it for dates. We left New York on March 23, and arrived at Salt Lake City on March 31.

Next day, 1st of April, we went up to visit the mine, and went through it and examined it. We examined it again that night, and again the next day; and on the third day we returned, after spending two days and a portion of the night inside of the mine making examinations.

I made measurements of the mine to satisfy myself of the quantity of ore in sight of first quality. The measurements were not strictly accurate, but they were on the safe side. I made a measurement of each floor of the mine, and made a memorandum of it. I made measurements of every floor, from the ninth floor clear down to the first floor, which is the floor where the adit or tunnel runs from which the mine is worked. They adopted the plan in working the mine of calling the first floor the adit floor, which ran into the mine from the outside, and by which all the materials for working the mine were carried in, and by which all ore and *débris* came out. The next floor above that was the second floor, and so on up to the ninth. In going down, they call the floors below the adit floor No. 1 down, No. 2 down, &c. They had worked the mine at that time just up to the ninth floor, and were about breaking into the ore on that floor. That floor was 32 feet north and south, and 36 feet east and west, with the whole ceiling on either side in a bed of ore. There was only one wall on that floor that was exposed. These floors were 6 feet 8 inches in height, except floor No. 3, which was 10 feet 4 inches, on account of the quantity of ore that had been taken out. These floors were built up with timbers laid horizontally and other perpendicular timbers, just four feet apart, and the timbers were 8 inches through, so that to measure the mine across in any direction, all that you had to do was to count the number of timbers, and you would arrive at the exact measurement. As the ore was taken out from time to time, other timbers were put in. The committee will hardly understand the working of the mine without understanding the character of the ore. The ore I cannot describe better than as a great sand-bank. A miner could break down, with a pick, 30 or 40 or 50 tons a day. There was five times as much work in putting up the timbers as there was in taking the ore out. In that respect it was the cheapest-worked mine in the world, perhaps, costing only 2 per cent., while mines usually cost anywhere from 30 to 80 per cent. to work them.

The witness here exhibited a diagram of the mine, and explained it with considerable minuteness to the committee.

(Witness continuing.) As I went up each floor, I made memoranda of the condition of it, and of the excavations that had been made, and I made measurements of the floor, and then described in my memorandum-book where the ore had been taken out, up to what wall, and on what wall it was still remaining as solid ore. When I came to the fourth floor above, I saw a drift running to the north, and I inquired what it was; but I got no satisfaction. They seemed to wish me to pass it. I kept, however, inquiring what that drift was, and the man who was showing me through the mine tried to attract my attention to something else, but I persisted, and said, "I want to know what that drift means." I went into the drift with a candle, through the ore-bed, found ore on both sides and on the top and bottom until I came to the hanging-wall, and when I came out I measured the distance to the hanging-wall as 60 feet. I found the hanging-wall running down clear, with a "gouge," as miners call it; and still the tunnel running right on through into the solid rock. Said I, "Here ends the ore-bed; what have you gone beyond that for?" The man who went with me said he did not know. I said, "Every one can see that this is solid rock. Here is the end of *your* ore; what have you gone beyond that for?" That was at an angle

thirty degrees with the top of the hanging-wall, as I estimated it. ter I came out and inquired of Mr. Walker, I learned that under the rection of counsel they had run this drift out there to prove that a aft which was being sunk by Lyon did not connect with the Emma ine. They were directed by counsel to run in that direction until they n under that shaft, and therefore they had run into solid rock. It was necessary, because it was evident enough that that was the end of the ine in that direction; but they proved what they wanted to prove. rom that drift I formed the idea in my own mind as to the extent of e ore in a northern direction. Of course, I had no means of ascertain- g how much was above, or how much was to the westward, or how uch was to the eastward; but on the south side, on which the foot- all was, they had very nearly worked the ore out to th wall, so that e wall ran through for a very long distance, and it was as handsome foot-wall as I ever saw.

Q. What was the result of your examination?—A. We examined it r two days and came back to Salt Lake City, and then set to work to xamine the title and to examine the record in Mr. Lyon's case.

Q. Was there a suit then pending on the part of Lyon?—A. Yes. An pplication had been made for an injunction and for a receiver, which pplication had first been granted and then dissolved, and then there as another application, and that application was denied. These pro- eedings had been taken before I arrived there, but the suits were still ending, and I believe that another application had been made on an mended complaint. I found another suit pending, and I examined the laim in that case, and then I found still another claimant, and I sat up ll night examining his papers until broad daylight with his lawyer. hey were trying to satisfy me that this claimant owned the whole mine. hen there were three or four other claimants, and I became satisfied, fter the examination of every one of these claims in detail, that the mma Mine Company of Utah were the owners of the property, and at while the litigation of these claims would be very extensive, and ight occupy a number of years, still, in the end, that company would old the title. After I had examined the matter, I had a talk with Gen- al Baxter, and we made a proposition. We called together all the vners. There were eight of them together in my room in the evening. told them that we would not buy the whole mine, for the reason that e original discoverers were then the owners, and that they would ave to be relied upon as witnesses to defeat the various suits, and at therefore I did not wish them to part with their interest in e mine. They were old miners who go from one camp to anoth- , find a mine and sell it, and you do not know where to find em unless they retain their interest. That was my reason for not uying more than half of it. Then I told them that we would give em but one-half of what they had offered to sell for; that is, that we ould give them the half of $750,000. I told them that I did not want cheapen the mine, for I thought that as the mine looked $1,500,000 as cheap enough for it. I had made such measurements as satisfied e that there were 10,000 tons of first-class ore in sight, which would be orth $1,500,000 net. I said to them, "I do not want to cheapen the ine in regard to its value, nor do I want to cheapen it in regard to hose law suits, because I think your title is perfect, but if I purchase nto this mine the labor is going to fall upon me to defend it in all these itigations, and it is a question with you whether you will take that low price for the mine and have me and General Baxter to sustain it. If your itle was free and clear, I would buy the whole mine at much more than

you ask for it, but with the labor falling upon me, owning only one-fourth interest in it, of defending it in this litigation, I make that proposition to you, and it is for you to say whether you will gain enough on the other half which you will retain, to justify you in selling it at that price." Finally, after a great deal of discussion of it in my presence, they decided to accept my proposition, and we drew the papers, I think, in the early part of April.

I omitted to say that when I went through the mine, I took a very large number of samples from different pieces of ore, marked them, and sent them to Salt Lake, to two different assay offices, and had them assayed, and entered the results on my memorandum-book, and I found that the result coincided with what they had shown me in New York, as to the ore being worth about $150 a ton, or rather it was worth £37 12*s.* 4*d.* a ton delivered in England.

General Baxter left Salt Lake a night before I did, leaving this proposition with me to make to these parties, and telling me if they accepted it, to draw on him for the money. Mr. Davis's contract to purchase at $1,500,000 had not quite expired, so they made a contract with us, which was not to take effect until Davis's contract expired; that would be on the 26th of April. On the 27th of April, either Williams or Hussey came to New York, and we fixed the matter up, paying one-third of the price in cash and two-thirds in notes of thirty, sixty, and ninety days. The one-third in cash, $125,000, was paid by a draft on General Baxter, and the balance was in notes which were all paid at maturity.

By Mr. PHELPS:

Q. Who were the individuals who represented the Emma Mine Company at Salt Lake, in making that sale to you?—A. The Walker Brothers, four of them. They were the leading merchants (after leaving out the Mormon store) in Utah, and had been for a great many years. Mr. Hussey, the president of the First National Bank of Utah, was another. The others were Mr. Day, who testified yesterday, and who lived in Elgin, Ill., and was represented by his nephew; Mr. Chisholm, who lived at the same place, and was represented by his son, under a power of attorney; Captain Smith, who was there himself, I think; Mr. Connington, who had a small interest; and a Mr. Clift, who had a very small interest. All the owners were present either in person or by their attorneys in fact.

Q. State what estimate you placed on the value of the mine at the time you made the purchase.—A. I stated to General Baxter what I believed then and believe still, that with the showing then (which was nothing equal to the showing afterward) it was a cheap mine at $5,000,000, not that there was any $5,000,000 worth of ore in sight, for if there was, they could take it out as well as the purchasers could, and could convert it into money, for it was very easily converted.

By Mr. WILLIAMS:

Q. Was there any person concerned in the purchase except yourself and Mr. Baxter?—A. No, sir.

By Mr. PHELPS:

Q. State in what manner and to what extent that mine was worked, from the time you purchased up to the time you sold it in England.—A. I left Salt Lake the day after completing the sale, and came to New York and went out again to Salt Lake in the month of May, to prepare for a suit which was to be tried in July. Then I made a second examination of the mine, and made more accurate measurements, which only

confirmed what I had learned before. At that time we were pressing the output to its fullest extent. That is, we were forcing the mine in order to get the largest quantity of ore out of it in a given time. We had a contract with the Union Pacific Railroad Company which expired in the last of July, and we were determined to take all the ore possible out of it before the expiration of the contract. I therefore left instructions to pay no regard, until after the last of July, to developing the mine, and no regard to the appearance of the mine, but to get out the largest amount of ore possible. When I went there in May, they were working under these orders. I left the same orders when I left there in May and came home. Then we expected the trial in July. In July I went out again accompanied by Mr. Phelps as counsel. We went out to try the case of Lyon. Lyon met us by a motion to the court for leave to go in and inspect the mine and survey it by his own surveyors and experts. That motion was argued by Mr. Phelps on our side and by Mr. Hillyer on the other side, representing Mr. Lyon. The motion was granted, and those experts and surveyors were selected and afterward made an examination of the mine. It was so doubtful as to the time that they would be ready to report that the court refused to fix a time for the trial, and Mr. Phelps and myself left Salt Lake on the 26th of July to come East again. On my way home I met by appointment (made through Mr. Day's nephew) Mr. Day in Chicago, and purchased out his interest in the mine on the 28th of July, at the rate of $1,500,000 for the whole mine. I was not in any fear of Mr. Day changing his evidence or that he would be out of reach. He is a very honest man.

Q. At the time you purchased the first half of the mine up to the 1st of August, to what extent was the mine worked?—A. It was worked to the extent of from 50 to 100 tons a day, and some days more than 100 tons of first-class ore were extracted from it. That ore was hurried down the cañon in wagons or sleighs, and shipped to reach the railroad before the first of August.

Q. I understand you that you worked the mine so as to get out the greatest quantity of ore that you could.—A. Yes, and without regard to how the mine would look afterward. I gave instructions there that they might straighten the mine out afterward for exploration and perhaps for working, but to get out all the ore possible first, and then go to work and fix up the mine for future working and exploration. I left instructions, when I left there in July, (which was the last time I was there before I sold the mine,) to stop taking out ore after the last of July and to turn the force to developing the mine. That was when our contract with the railroad company expired—not to discharge any help, but to apply the whole force to the further development of the mine for the purpose of ascertaining what ore we had, and to have the mine opened for working. From the last of July until after I had sold the mine the work of taking out ore did not continue, but they proceeded rapidly in the matter of exploration, What they did, however, was unseen by me until, I think, a year after the sale.

Q. In that connection, you may refer to papers and state to the committee the exact product of that mine from the time you bought it up to the time you sold it. What was the amount in tons and what were the net proceeds in money during the time that you were the owner of the mine?—A. (After referring to the document.) About £342,000, or $1,700,000.

Q. That is, if I understand you, the product of the mine from the time it was first opened?—A. From the first shipment to Liverpool. There had been some taken out and shipped to Newark, N. J., and sold

to smelters there; also some to Chicago, and some to Saint Louis, but the aggregate did not amount to much. It was sent there in lots of ten or fifteen tons or more. It was merely sent to show what the ore would produce.

The CHAIRMAN. State to the committee what your opinion is as to the causes of the great reduction in the value of those shares on the English market.

Mr. PHELPS. We will come to that in a moment.

The WITNESS. There was also a considerable amount of ore sent to California.

Q. Are you able to tell what amount of ore was taken out while you were the proprietor of the mine—after you bought and before you sold?

The CHAIRMAN. I want to know the cause of the great depreciation in the value of the shares in the London market after you sold this mine.

Mr. PHELPS. If you will allow us to follow along in the order of time, we will bring that out very clearly.

The CHAIRMAN. I have no objection.

The WITNESS. It would be next to impossible for me to make it clear, unless I follow up the history of the mine.

Q. Give us the value of ore which you took out while you were owners of the mine.—A. (After calculation.) $895,000. That is what we took out from the time of our purchase in April up to the last of July. That is in gross. I have got the figures of the expenses for April, May, June, and July, 1871. The expenses for April were $4,875.20; May, $4,534.80; June, $7,600.20; July, $11,599.19; making an aggregate of $28,609.19. Those were the expenses of working the mine, but did not include the transportation.

Q. State to the committee exactly what was done with the ore that was taken out.—A. Every pound of it was sent to Bath & Son and to Lewis & Son, of Liverpool, with the exception of 359 tons that were sold to smelters in Utah and 1,750 that were on hand in Utah at the time of the sale.

Q. Are you able to state what were the net proceeds of that transaction?—A. (After calculation.) The net profit was about £28, or $140, per ton.

Q. Pass over now for the present to the obtaining of the patent.—A. On the 24th of August we obtained the patent for the mine from the United States. On the 2d of September, eight days after we obtained the patent, I sailed, with my family and Senator Stewart, for England, arriving there about the 12th or 13th of September. On the morning of my arrival in London, and before I had got my baggage into my rooms, Mr. C. M. Fisher drove up in a carriage with his wife and claimed an acquaintance with me in Vermont. I presume that he was acquainted with me. He was quite a young man, and I had forgotten him. He said he was a member of the legislature in Vermont with me, and he asked me if I had come out to sell the Emma Mine. He said that he understood from a correspondent in New York that I was on my way out for that purpose. I told him that I had come to look about it, and that if we could get what we were willing to take, we would sell it. He said that he had a correspondent who might buy it, and that he wanted the first chance. After some further conversation he made me promise to call upon him the next day at his office in Finsbury Circus. On my way down to the city (as it is called) from Edwards' Hotel, where I stopped, I stepped into the banking-house of Jay Cooke, *McCulloch* & Company, and presented a letter of introduction from Jay

Cooke & Company—a very strong letter. Jay Cooke, McCulloch & Company knew about the Emma Mine, as money had been deposited there on our account by Lewis & Son and by Bath & Son. I met Mr. Puleston, and I told him the promise which I had made to Fisher, and asked him who Fisher was. He said that he was an American, and that he had done a good deal of legal business for the American legation. Mr. Fisher had asked me if I would meet Mr. Coates at his office. I told him no, that I did not want to meet any one at present in regard to the mine. I went from Jay Cooke, McCulloch & Co. to Fisher's office, and there I met Mr. Fisher and Mr. Coates. Coates commenced immediately to inquire what I would take for the mine. I said, "You are commencing pretty quick. I have not had time to turn around since I arrived in London." He said, "We know as much about the mine as you do. We have had our eye upon it for a good while, and have a correspondent in America." I afterward learned that this correspondent was Mr. William Marsden, who had been previously to us to purchase the mine, so I found that we were with the same parties whom Marsden had applied to us for. We had some talk about it. I told him that I was not prepared to make any proposal, that Senator Stewart was there with me, and that he had to be consulted, and that we had not even fixed the price of the mine in our own minds. In fact, that we did not know the present condition of the mine. I said that we knew what it was on the 22d of July, but that such changes were made in a mine so rapidly, that in a week's time the value of the mine might be largely increased or diminished, either by working in a proper direction and running into a solid bed of ore, or by the ore diminishing. After some talk, I told him that I would sell him half the mine at £400,000, and take my pay for the other half in £500,000 of fully-paid shares—all the expense of bringing it out to be at the expense of the vendees—so that my returns should be £400,000 and £500,000 of fully-paid stock. I had no sooner made the statement than he said "We will take it." I said, "That is pretty quick work in selling a mine." He said, "I know all about it, and I want to see the papers and reports." I told him that I had no reports, that I had an account of the sale of all the ores ever produced at the mine, and those accounts could be verified there. He said, "We have seen them; we have seen the accounts of Bath & Son and of Lewis & Son, and we know what ores you have shipped." I said, "I suppose the purchasers will want their own experts to make an examination, and will make their purchase on the report of their own experts." He said, "Certainly, we shall want the report of experts, and expect to appoint them." I said, "That is the very reason that I brought no report, as I did not want to go to the expense of having a report made and perhaps have it rejected." Mr. Stewart was with me at that time. That was the next day after our first meeting. There was considerable talk as to who the experts should be, and the names were mentioned of some gentlemen in California, including the Mr. Januin who was mentioned here yesterday by Mr. Day. I named two gentlemen, English experts, who were then at Salt Lake and who had been through the mine. Their names were Sewell and Nancarrow. Sewell and Nancarrow had told me that the mine could not be bought in London without their report upon it, and I said to them, "If so, let them ask you for your report." They had not told me at that time their opinion of the mine. I asked them their opinion, but they said that if the mine were ever sold in London, they would be called upon for their opinion and they declined giving any previous opinion. Mr. Coates said that he would advise with the parties—that he wanted to advise with some person connected with the Geological Society

who would be acquainted with scientific men in America, and that would let us know the next day.

The next day we met him again. After that first meeting at Fish office, Mr. Stewart was present at every interview that I had with parties. Coates came in the next day and said that he had made quiries, and that they had decided to select Professor Silliman, of College, to make examination and report of the mine, and that of co nothing could be done except to make preparations until they could that report; and, therefore, he thought we had better expedite tha much as possible. He said, at the same time, that he would be wil to have Sewell and Nancarrow make the examination with Profe Silliman, and have them join with him, or certify as to the correct of his report.

By Mr. WILLIAMS:

Q. Up to that point, had the name of Professor Silliman been tioned between you?—A. No, sir; I never had met Mr. Silliman, should not have known him. Mr. Stewart had seen him before.

Q. Had Senator Stewart mentioned Silliman in that connectio A. No, sir; he had not mentioned him to me, and I know that he not mention him to them, for I was present all the time. Mr. Coates me on whose recommendation it was that Professor Silliman was sele It was on that of some gentleman whose name I have forgotton, who said that Mr. Silliman was the Sir Roderick Murchison of Ame He wanted me to cable over to General Baxter and have the examin made at once. He wished me to cable to him that Professor Silli was to make the survey for the purchasers, and was to make his re directly to them, and then to have Sewell and Nancarrow join i report. I cabled that over to General Baxter at Mr. Coates's sugges I wrote the dispatch in his office and in his presence.

Before any steps could be taken, and within a day or two after Mr. Coates told me to cable again to General Baxter that they did want the report to be certified by Sewell and Nancarrow, as they learned that these gentlemen had made a report on some other which had not proved successful, and they thought that their ing in the report of Professor Silliman might injure rather help us. They therefore only wanted Professor Silliman's report, they wanted me to cable that fact to General Baxter, which I did. must have been not two days difference from the 15th of Septembe saw Mr. Coates frequently between that time and the time when report from Professor Silliman arrived, and during that time he tol that he had made up the party to pay this £400,000. On two or t occasions he pulled the drawer of his desk out in this way, (imitat and took out a paper and said "Here we all are except £50,000, and parties are ready to take, but I have not decided what parties to gi to yet." I did not either handle the paper or see any of the names were on it. After I made this proposition to him, I went to Jay Co McCulloch & Company to inquire as to Coates & Hankey's respon ity. I also inquired from J. S. Morgan & Company, and from Cl Habicht & Company, and I think I made some other inquiries. The represented Coates & Hankey as a respectable firm of bankers, strong enough to purchase a mine and pay that amount of money out of their own means, but having a large clientage behind them, that they would carry out whatever they undertook.

One day during that time Mr. Puleston, on whom I relied for ad asked me if Baron Albert Grant had any connection with this ma

I told him I did not know; I never had heard of Baron Albert Grant, and did not know who he was. He said that he was one of the most successful financiers in London, and that whatever he undertook would be likely to go through; and he said, "The more I have been thinking of it, the more I have thought that Coates & Hankey have not the strength to carry it through themselves; (that is, to advance the £400,000 before they received anything from the sale of stock;) but if they have Albert Grant behind them, the thing will go through." I went immediately from there to Mr. Coates, and asked him incidentally if Baron Albert Grant had anything to do with the purchase of the mine. He said, "Nothing at all." That was perhaps a week after the telegram had been sent to General Baxter to have the examination made, and then we had gone so far that we could not change our front. Some time pretty near the time when Professor Silliman's report could be expected, Mr. Coates asked me if I could not draw up some statement on which they could be getting up their prospectus before the receipt of Professor Silliman's report, so that they should not have any delay after that. I told him that I thought we had better wait until the report was received, and until we saw whether it was satisfactory, and that then it would be time enough to draw up a prospectus. He said that he wanted that I should jot down some things which he could show to his friends who were taking an interest in it. I did so, and this is the paper which I presented to him. He had it printed at his own expense and without my knowledge.

The paper is as follows:

Statement in relation to the Emma Mine, prepared by Mr. Park for Coates & Hankey before Professor Silliman's report was received in London.

Location of mine. The Emma Mine is situated in Little Cottonwood Cañon, about 27 miles southeast of Salt Lake City, Utah.

Title. The title is perfect, being secured by a United States patent to the extent of 2,400 feet, and the company own an extension of 600 feet not secured by a patent, but the title undisputed.

Property to be conveyed. We propose to convey to a London company the entire mine with all its improvements, consisting in part of boarding-house, sleeping-house, office, assay-office, barn, blacksmith-shop, furniture, tools, fixtures, horses, mules, one undivided half of a saw-mill, (near the mine, from which the mine is supplied with lumber and timber;) also, all the ore on hand at the mine, at Salt Lake City, and in Liverpool, more particularly described hereinafter.

History of mine. The mine was discovered in the early part of the year 1870, but was not worked to any great extent until the last part of the year 1870. The ore produced during the early part of the year 1870 was sold at the mine to smelters, and in San Francisco, Cal., Newark, N. J., Reno, and Nevada.

Ores shipped. In the fall of 1870 the owners began shipping ores to Liverpool for sale, consigned to Lewis & Son, of Liverpool, and Henry Bath & Son, of London, about one-half to each. The first sale of ore by Lewis & Son was October 27, 1870, and the first sale by Bath & Son October 29, 1870.

Account sales. Lewis & Son sold, from October 27, 1870, to May 30, 1871, 2,106¼ tons, producing £78,884 19*s.* 11*d.* Bath & Son sold, from October 27, 1870, to July 15, 1871, 2,204¼ tons, producing £84,770 8*s.* 2*d.* Total, 4,311 tons, producing £163,655 8*s.* 2*d.*

Value per ton. This ore was quite uniform in value, as will be seen by the accounts of sales, and sold at £37 19*s.* 3*d.* per ton.

Product by present owners. The present owners purchased the mine on the 25th day of April, 1871, and have since that time shipped to Lewis & Son 1,888 tons; to Bath & Son, 1,641 tons; total, 3,529 tons.

Total shipped to Liverpool. Sold by Bath & Son and Lewis & Son, on account of previous owners, since October 27, 1870, 4,311 tons. Total shipments, 7,840 tons.

Total product of ores shipped. The ore consigned by the present owners will produce £34 per ton. Say 3,529 tons, at £34 per ton, is £119,986, to which add previously sold, £163,655 8*s.* 2*d.* *Total since October 27, 1870,* £283,641 8*s.* 2*d.*

Total product of mine in one year.

In addition to above sold the present owners have sold since May 1 1871, in Utah, to smelters, 359 tons; have on hand 1,750 tons; total 2,109 tons, worth, at £28 per ton, £59,052. Total shipped to Liverpool sold in Utah, and on hand, £342,693 8*s.* 2*d.*

Cost of producing.

The cost of producing the ore, ready for shipment or sale, is about two per cent. of its value, or say 12*s.* per ton.

The following figures show the total expenses of working the mine by the present owners from April 1 to August 1, 1871, and these figures include a large amount of work and supplies in building and making other permanent improvements:

Expenses in detail for 4 months

	April.	May.	June.	July.
Wages	$3,339 90	$3,106 65	$4,827 55	$5,491 20
Supplies and tools	1,081 75	1,303 05	2,105 20	3,887 16
Timber and lumber	180 50	.....	692 25	2,001 00
Incidentals	273 05	125 10	515 20	219 83
Total	4,875 20	4,534 80	7,600 20	11,599 19

Profit per ton.

Total in four months, $28,609.39 in United States currency, equal to £1,304 per month.

The ore sold in Liverpool is estimated to have paid an average profit of £28 2*s.* 5*d.*, as follows:

Ore sold, on average, £37 19*s.* 3*d.*

		£ s. d.	
Cost of mining	$3 00		
Sacks	3 00		
Freight from mine to New York	35 00		
Insurance	75		
In currency	41 75, equal to	7 11 10	
Freight from New York		1 2 0	
Commission and other charges, say 3 per cent		1 3 0	
			9 16 10
			28 2 5

	£ s. d.
Profit on ore shipped. 7,840 tons, shipped to Liverpool in one year, produces	283,641 8 2
Estimated cost of mining, sacks, freight, and other charges, £7 16*s.* 10*d.* per ton	77,158 13 4
Increase of profits. Net profit on ore shipped to Liverpool	206,482 14 10
The above does not include 359 tons sold in Utah, and 1,750 tons on hand, (on September 1st,) which would increase the profit, at £28 2*s.* 5*d*	59,306 16 9
Profit for one year. Making a total estimated profit during the year of	265,789 11 7

Profit last four months.

Profit on 5,638 tons produced by present owners, (who purchased April 25, 1871,) up to September 1st, £158,216, or at the rate of over £450,000 per annum.

Value of ore on hand.

Ore on hand belonging to the mine estimated as follows:

	£ s. d.
3,529 tons shipped to Lewis & Son and Bath & Son, value, net, at £31 per ton	109,399 0 0
Deduct paid consignees on account of above ore	63,000 0 0
	46,399 0 0
2,000 tons first-class ore at Salt Lake and City Mine, at £28 per ton	56,000 0 0
6,000 tons second-class ore at mine, estimated at £8 per ton	48,000 0 0
	150,399 0 0

A large addition may be made to the profits of the mine by having the ore smelted in Utah, under a contract, or in works to be constructed by the company.

It is estimated that smelting-works, capable of smelting the product of the mine can be erected at a cost of £10,000, *which would be saved by increase of profits in twenty days.*

The following figures show the saving estimated to be made :

	£.	s.	d.
One ton of ore has produced, on an average, as per account sales	37	19	3
Cost of producing, freight, and other charges	9	16	10
	28	2	5

A ton of ore that assays 147 ounces of silver and 37 per cent. lead will sell in Liverpool, as per account sales, for £37 19*s.* 3*d.*, and gives a profit of £28 2*s.* 5*d.*

A ton of ore smelted in Utah, under a contract, will pay a profit of £———, making a gain of £——— per ton.

Increase in profits of, per ton smelting.

The smelter will contract to smelt the ore for $32 per ton, and guarantee to return bullion which shall contain all the silver, less 6 per cent., and all the lead, less 12 per cent., and the bullion can be separated in New York for $20 per ton of bullion, and a guarantee to return within ounces of the silver and 5 per cent. of the lead; the result will be as follows:

	Ounces.	*Pounds.*
One ton of ore contains	147.	740.
Loss in smelting	8.82	88.80
	138.53	651.20
Loss in separating 651 pounds bullion	1.65	32.56
Separated silver-lead	136.53	618.64

136.53 ounces silver, at $1.32	$180 21	
618.64 pounds lead, at 6 cents per pound	37 11	**Value.**
Total value of product, (gold)	217 32	

Mining	3 00		**Less expenses.**
Freight to smelting-works	1 50		
Smelting	32 00		
Freight, 651 pounds bullion to New York	13 02		
Separating	6 51		
Currency	56 03		
Discount for gold	5 60		
		$50 43	

Net profit $166.69, equal to £33 7*s.* 6*d.*, or a gain of ———.

To this may be added the profit of the smelter, which would be saved if company owned works, estimated at £3.

Summary showing profits.

1st. Ore shipped to Liverpool—

Total for one year	7,840 tons.
Amount produced by sales	£283,641 8 2
Average per ton	36 3 6¼
Cost of mining, sacks, freight, &c	77,158 13 4
Average per ton	9 16 10
Net profit	206,482 14 10
Average per ton	26 6 10

2d. Ore smelted for the company in Utah under contract—

Cost per ton in Utah	£33 7 6
Average at Liverpool	26 6 10
Increased profit	7 0 8

3d. Ore smelted by the company in Utah—
The works could be erected at an estimated outlay of £10,000

Increased profit as above .....
Add estimated profit of smelter.....

Less interest on capital expended on the works, £———.
Depreciation ———.

Q. Then you are the author of this paper?—A. I am the au this paper; but Mr. Coates had it printed without my knowle supposed that he was going to use it in manuscript. That is tl statement I ever made in London in regard to the mine. No on me for any statement or representation; they relied on their perts. I made this statement; and every item in it could be there in London by means within their reach; that is, by going t & Son or to Bath & Son, who had regular accounts to verify the to a penny.

By Mr. SPRINGER:

Q. Did you make an affidavit yourself to the truth of that stat —A. No, sir; none was required.

By Mr. PHELPS:

Q. You say that this statement which you furnished to Mr. was verified there in all those particulars. I ask you now in re the truth of the statement, with all the light which you now h A. I believe that it is true in every sentence, and every word, an figure.

Q. Have any subsequent developments that you know of c the correctness of that statement?—A. No, sir. I could go thr in detail and explain it all.

Q. You say that the statement was true, as you believed it th is true as you believe it now?—A. Yes. Some time during the last ber, (after the 16th, and I should think about the 20th, but not th from the 20th,) Professor Silliman's report was received by cable, to Coates & Hankey, in London. I was informed of the receipt Mr. Fisher. I went down immediately to Coates & Hankey's see the report. It was sent to them and not to me. Mr. Coat that they had received it, that it was a very long report, and was having it copied, and that as soon as it was copied he would me with a copy of it. I called again next day, and the day afte was some three days before I obtained a sight of it. The firs called I asked him if the report was satisfactory to him, and he s it was satisfactory, and more than satisfactory. Said he, "I sh the trade, and we shall have no difficulty in closing matters up a Coates said that. Within a very few days after I had seen Profes man's report, and during the month of October, and having be fied by Mr. Coates before the arrival of the report that he w ready to close the contract as soon as the report was r if it was satisfactory, and that he would pay me over the I called upon him. He wanted to know if I would go aroun solicitor with him and join him in making up a prospectus. I there was no prospectus to be made until the purchase of hal mine was made and closed according to the agreement. "Well," "we might as well be getting along with it and making up the pros

said, no, that I was not going any farther until the matter was closed. his first contract was all verbal. After I had cabled to General Baxr, on the 22d of September, I wrote this note, or gave it to Mr. Coates his request:

22d SEPTEMBER, 1871.

In consideration of your undertaking to dispose of one-half of the Emma Mine, in tah, U. S. A., I hereby undertake to have the whole of the said mine, in full working der, legally conveyed to you or your nominee.

On the same day I sent this letter:

LONDON, *22d September*, 1871.

lessrs. COATES & HANKEY,
24 Gresham street:

GENTLEMEN: In consideration of your undertaking to form a company for the purhase of the Emma Mine, in Utah, U. S. A., I hereby undertake to have the whole of he said mine, in full working order, legally conveyed to you or your nominee; also ll the silver-ore now in this country on hand, if not less a value than £120,000.

The share capital of the company to be one million sterling, of which I am to receive r the said mine and ores £400,000 in cash, and £500,000 in fully paid-up shares of the aid company.

I further undertake to pay all the expenses of and attendant upon the formation of he company, the raising of the capital of the company; also expenses in surveying nd reporting on the mine.

On the 21st of October, having called there a number of times, (after Professor Silliman's report had been received,) I told Mr. Fisher one lay (with whom, I learned, that Mr. Coates was in company in this business) that they were behind time, and I wrote this letter:

LONDON, *October* 21, 1871.

GENTLEMEN: We are very much disappointed at the state of our negotiation in egard to the Emma Mine. When we made a proposition to you it was to sell one-half f the mine for £400,000, to be paid on receipt of a satisfactory report. It was understood that before the report was received all preliminary arrangements should be nade, so that there should be no delay in closing the matter.

A board of directors was to be selected, which you assured us you could furnish atisfactory, and the funds were to be provided.

Mr. Coates assured us more than once that he had £300,000 subscribed, that the alance could be provided without delay; in fact, Mr. Puleston was willing, and is now, o take the balance. We wrote to our associates that half the mine was sold, subject o a satisfactory report, and that the money would be paid over as soon as report was eceived.

After considerable delay in getting report, (which was not your fault, but it gave ou more time to complete your arrangements,) we find that absolutely nothing as been done. No directors, and we hear no more of subscriptions. We are not nxious to close on the terms proposed, but feel bound in honor to carry out the agreenent on our part, if it can be done without delay. It seems now, judging by the ast, as though we might fritter away weeks without making any advance, which lelay we cannot consent to in justice to ourselves and those we represent.

If you think you can close the business by Wednesday, which will give one week rom time of receiving report, we will wait that time, with the understanding that we hall then be relieved from all obligation to give further time; and if you think you annot make your arrangements by that time, we hope you will advise us that we may not unnecessarily lose even that time.

We will be perfectly satisfied if you say you will end the negotiations, no matter what your reasons may be.

We beg to assure you both that, so far as we are concerned, our relations with you both have been pleasant, and we hope nothing will occur to disturb our agreeable relations, and if we had the time to spare we should not be so particular, but Mr. Stewart must be in Washington at the meeting of Congress, December 4, and Mr. Park wants to go East with him. You will see we have but little time to give to this business. After the directors are agreed upon, and preliminary subscriptions made, we have to organize a company, telegraph to New York, and have proper conveyances made, and the subject placed before the public, all of which must take time. We will

see you Monday morning, when we hope you will be prepared to say something definite.

We are, very truly, yours,

T. W. PARK.
WM. M. STEWART.

To JAMES COATES, Esq.,
C. M. FISHER, Esq.,
London.

Original handed Mr. Fisher October 22, and he agreed to all the statements we have made in the foregoing letter.

Mr. Fisher returned and stated that Mr. Coates had said that Mr. Park need not be so very sharp about this business, and that if he (Coates) did not take the mine, Mr. Park could not sell it to anybody else, as a mine could not be sold if it was put into the hands of one concern and rejected by them. The public would believe that it was rejected if the matter was not carried out, and therefore I could not place the mine elsewhere. He said, however, that he should be glad to see me. I told Mr. Fisher that if Coates thought he had us in his hands, I would rather go home and take the mine with us than to submit to any imposition. On the 24th of October I went down and saw Mr. Coates, and he told me of a Mr. Pollard, a Queen's counsel, who had just returned from China, and who thought that he could take hold of this matter with Mr. Coates and carry it through if I only gave him more time. In consequence of that, I wrote to Mr. Coates, on the 24th of October, this letter:

LONDON, *October* 24, 1871.

MY DEAR SIR: We had a long talk with Mr. Pollard after you left your office last evening, and he thought if you had two full days from yesterday you would be able to carry out arrangements.

We have decided to give you two full days and *until Wednesday noon*, provided you think you can by that time complete necessary arrangements.

We shall expect on Thursday a payment or deposit of £50,000, also payment of £50,000 when subscription-books are closed—being £1 per share on 50,000 shares—not to be more than one week, and 150,000 on allotment not to be more than ten days after close of books—being £3 per share to be paid on allotment. £150,000 thirty days after allotment. There will then be 150,000 due from subscribers, which will be coming to your party, and you can give for that such time as you think best.

Mr. Pollard thinks a prospectus can be got out as soon as directors can be agreed upon, (which should be done by Thursday,) and that the books should be closed in three or four days after opened.

We cannot waive the deposit of £50,000 *on Thursday*, which is only one-eighth of what we expected, and if you think you cannot or do not wish to close on terms we have named, you will confer a great favor upon us if you will advise us without delay. We have proposed great concessions from original agreement, and all we think we can be called upon to do, all of which we hope will be satisfactory.

Mr. Pollard seemed to think such a proposition might be carried out. Mr. Park will to-day make a plan of the mine, and will at any time desired aid Mr. Pollard in making a prospectus.

Any decision you may come to we assure you will be agreeable to us, and we trust in any event our personal relations may continue pleasant.

Very truly yours,

T. W. PARK,
WM. M. STEWART.

JAMES COATES, Esq.

Original sent Mr. Coates October 24, at 11 a. m.

When I had this talk with Coates and Pollard, Pollard said that it was out of the question for Mr. Coates to raise £400,000 so soon, that he never would have it subscribed, and he wanted to know if I would receive a deposit on account of the £400,000 and give him time for the balance, dividing the payments as specified in this letter. After

nsultation with Mr. Stewart, I wrote him this letter, accepting the odifications that he had asked for. On the 26th, two days after and presely at 12 o'clock, I appeared at Mr. Coates's office with Senator Stewart. s we entered the office Mr. Coates stepped up and said that he was appy to announce to me that the matter was closed and that everyiing was satisfactory, and he said, "I want you to walk a few doors ith me." He did not tell us where he was going to take us. We arted out, and he took us into a building, and standing in an anteoom, he said, "I am going to introduce you to one of the greatest finaners and one of the greatest bankers in London, Baron Albert Grant." Ir. Coates said this in a very pompous manner. I said to him, "I ought you told me some time ago that Baron Albert Grant had nothing o do with this matter." "Well," said he, "he did not have at the time, ut you pushed me so that I was compelled to apply to him, and he is oing to take it up." Baron Grant came in soon, and I was introduced o him for the first time. That was on the 26th of October. We went ito his office. It seemed from Baron Grant's talk that he had not even ad Professor Silliman's report at that time. He seemed to be in comlete ignorance of the whole matter, except as to what he had learned om rumors as to this Emma Mine. He took up the report which Mr. oates had brought in, and commenced reading it, and asked if there ere any other reports or any other papers. It was from that that I idged that he had not read it before. I showed him the other papers, ie contract for the sale, and the letter (not a report) addressed by rofessor Blake to General Baxter, and perhaps I showed him some other apers, I do not recollect now. He said he had heard about this mine, it that he did not know anything about it. He commenced by saying iat it would be of no use in talking about putting the mine on the nglish market at a million of pounds; that we could not get any such oney for any mine. My reply was this: "Then I can take it home. would rather buy a mine worth a million of dollars than a mine that worth $50,000 or a less sum, if there is money to be made out of it." We had considerable talk on that subject, and I told him it was of o use to make any talk; that I had not made any proposition, and I ould not make it now, after receiving Professor Silliman's report. That eport showed an exploration of the mine beyond what it was when I ist saw it. It doubled its value, its apparent value. This report I can xplain by the map. According to my instructions with the manager, iey had explored to the northwest, and had run in some 150 or 200 eet, some two or three tunnels, all the way through, opening a cross-cut o the foot-wall on one side. A cross-cut is a cut to measure the thickess of the vein, and when you are in by the ore, running a drift, you ave no conception of the width or thickness of the vein unless you un a cross cut to ascertain the thickness of the body of ore.

By Mr. MONROE:

Q. Did it impress you that there was some affectation in his manner n hesitating?—A. No; it did not impress me so, and still it may have een that there was. There was this that I ascertained, that Mr. Grant ad promised Mr. Coates £10,000 (which he paid him afterward) if he would introduce the subject to me, and let him have charge of it. That I knew nothing of at the time.

Q. Would not that seem to imply that he had examined the subject pretty thoroughly?—A. I do not know that it would, because it was still subject to an examination.

Q. Any contract that Grant would make would be subject to further

over and over again, at his request. Now, shall I tell Mr. Coa
will you, that I do not want his company there?" Then Grant
"You had better not offend him; I will arrange it; he won't be
The next day, in the morning, Mr. Stewart and I went down to
ton. Mr. Grant received us, and we spent the day with him, a
came home on the evening train. He then had, apparently, exa
the papers very closely, because he understood everything
was in them, and talked intelligently on the subject. He in
whether these accounts of the previous out-put had been verified

By Mr. SPRINGER:

Q. Before you proceed with that, will you state whether you ha
lated all the conversation that you remember that occurred be
Grant and yourself and Senator Stewart and Mr. Coates at the
view?—A. The substance of it, sir; all that is in my mind now.
may call something to my attention, perhaps, but there was n
talked about the price or the mine, in detail, except in that genera
and I thought either that he was affecting not to know what he did
for the purpose of getting further information and seeing what he
do, or else that he really did not know anything about the matte
that it had just been presented to him by Mr. Coates; because
tainly did not receive me like a man who was prepared to close it
Mr. Coates had said, when we left the office.

Q. Did Mr. Coates say to you, "This is the man who will furni
money for this mine?"—A. No, sir; I think not. I am positive not, b
Grant did not talk anything about money on that occasion. He
would take the papers and look them over and then he would rec
the next day at Brighton. He did not say anything about money
certain. When we met him there, he told me that it was useless
about paying £400,000.

By Mr. PHELPS:

Q. That you have stated.—A. No; that was after we got d
Brighton. But he was satisfied from what was known in Eng

&c. I told him that I thought not; that I thought I would not incur any liabilities on account of the Emma Mine; but if I could not sell it at my price, I would take it home with me, as it was not incumbered by liability. He pressed the point pretty sharply, but I declined. He asked me if I would call into the office the next morning and think of it, and that perhaps I would reconsider it. The next morning I went to Mr. Puleston, as he was my adviser, and told him the story. He said, "You have done perfectly right, although I think there is not one chance in a thousand but that he would bring it out, because his pride would make him do it. He never has failed in anything yet. Still, you would not feel very well if it should be a failure, and you should go back with your mine, without selling it, incumbered with a debt of £50,000 or £75,000." I asked if it would cost as much as that. He said he should not be surprised if it did. In all these interviews Mr. Stewart was with me. I went from there and told him (Grant) that I had advised with Mr. Puleston about it; that he was my adviser and had been ever since I had been there, (I went to him for all information,) and that I had decided not to accept his proposition. "But," I said, "we are disposed to do this: if you bear all the expenses, you may make the attempt to put the mine on the market, provided it can be done without any delay; if you succeed you pay us the £400,000 and the £500,000 in fully-paid shares, free from any expense; and if you do not succeed you still pay the expenses yourself. If you have not confidence enough in it to believe that it will succeed, then I do not want you to touch it; I would rather take it home." He accepted the proposition. We reduced it to writing. That is the purport of it.

Q. Grant did?—A. Yes, sir. We did not reduce it to writing that day, but within a day or two. The prospectus was prepared, I suppose, by him or his counsel or solicitors, I do not know which. Next in the order, he presented to me a contract with a man by the name of Dean, which contract they said was necessary in law as between the vendors and a third party, acting for a company proposed to be organized, and which, under their laws, had to be set out in the prospectus, I believe. I did not understand the matter, but I signed the contract. It has no connection with this matter.

Q. Is it a mere matter of detail?—A. It is a mere matter of detail. I had first called on Baron Grant, you will bear in mind, on the 26th day of October; had closed the trade with him on the 28th of October, and the period between the 28th day of October and the 7th day of November, which would be about nine days, was occupied in looking up directors, and then drawing up the papers, forming the organization, and verifying everything that could be verified.

Q. For the organization of the English company, in the purchase of this mine?—A. The English company, by the name of the "Emma Silver Mining Company of London, Limited." I was notified of the first meeting of the directors, held on the 7th. I was there only a portion of the time—a very small portion of the time. I was most of the time at Jay Cooke, McCulloch & Company's, as I will explain hereafter. But they notified me of an adjournment (I having left before they got through) until the 9th, and on the 9th I appeared again, and was again, for a large portion of the day, at Jay Cooke, McCulloch & Company's, and was not at the board but a portion of the time while the prospectus, that was to be issued by the company, was being considered. That was presented. When I went into the room, Mr. Bompas, the solicitor, was reading it, section by section, and it was being discussed. I remained a portion of the time and then left. I left Jay

time; this was the first meeting, or else it was the second meetin
they had asked my advice as to the conduct of the business in
York, the working of the mine, who should be employed, and any
I had to suggest about the condition of the mine, &c., and to m
report to them at their next meeting.

By Mr. PHELPS:

Q. Mr. Park, let us understand. That was after the shares had
subscribed for and allotted?—A. And allotted and everything com

Q. You say everything was subscribed for twice over?—A. The
"subscribed" is not the proper one; there are no subscriptions
for stock; they call them "applications."

Q. Anything you choose to call it. What applications did
make? What did they want you to do?—A. They wanted me to m
report to them in writing of any suggestions that I had to make
the operations of the mine, the working of it, the men to be emp
and anything I had to suggest to them; and anything that I
about the mine more than they knew.

Q. Did you do it?—A. I did make that report, and this is a copy

*Statement by Mr. Park to the directors of the Emma Silver Mining Company (Lim
London, before the title passed to the company and previous to the payment of the p
money to the vendors.*

LONDON, *November 27,*

To the Directors of the Emma Silver Mining Company, (Limited:)

GENTLEMEN: In accordance with your request, I give such information as I
in regard to the management of the mine purchased by this company, and what
judgment, should be done to best promote the interests of the company.

Since about the first day of August, the mine has been under the management
Silas Williams, who was placed in the position by my advice.

I have known Mr. Williams intimately for over ten years, and he has for ov
years of that time been in my employ, superintending mines, mills, and erect
mills; he is a good mechanic, very industrious and economical, a man of good
and of strict integrity. I have no hesitation in vouching for his ability and h
Mr. Williams receives five hundred dollars United States currency per month a

The company board all their employés at their boarding-house, and the board costs about ninety cents per day for each man.

The supplies required for the mine are, timber for the mine, tools for use in the mine, and supplies for the boarding-house.

I am advised that we have timber on hand at the mine sufficient for some months, and we have a good supply of tools. Supplies for the boarding-house are purchased as required for use.

The company own one-half of a saw-mill near the mine, which will furnish the mine with timber when the present supply is exhausted, and there is plenty of standing timber near the mine to last for years.

We use two mules in the mine for raising ore from below the adit-level. We have all the mules, horses, harness, &c., that will be required.

I do not know of any extraordinary expenses to be incurred, unless the company should decide to erect smelting-works.

Since Mr. Williams has had charge of the mine he has attended to making all the purchases of supplies, employing help, and contracting for hauling the ore to the railroad, and I have no hesitation in recommending that while he continues in the employ of the company, he should continue in full charge of everything pertaining to the mine and delivering the ore at the railroad.

We require sacks for all the ore shipped to England. The sacks cost about 17 cents each, and will hold about 100 pounds each. When I was at the mine last, (about the 25th of July,) I purchased 20,000 sacks, and we had quite a supply before. I do not think it will be necessary to purchase many more sacks this fall.

Up to August 1, we hauled all our ore to the railroad at Salt Lake City, (27 miles,) at a cost of $— per ton, but since then the railroad has been completed within 16 miles of the mine, and I estimate the expense for hauling in future at $6 to $8 per ton.

We have employed, at Salt Lake City, a book-keeper, who attended to correspondence, shipping ore, and in addition to keeping the books, and we employed one man who was occupied in attending to loading cars with ore, taking an account of the ore, taking railroad-receipts, &c.

If Mr. Hussey is employed to look after the interest of the company in Utah, I think we should not require a book-keeper at Salt Lake, but as long as we ship ore we should require the services of a man to attend to the shipment on the railroad.

I would recommend that Mr. Williams be instructed to take duplicate vouchers for expenditures to be approved by him and paid by Mr. Hussey, he also being satisfied of their correctness, and that each month Mr. Hussey make a full statement to the company in London of all expenses, and send one set of the vouchers.

It will be necessary to arrange for placing funds at the disposal of Mr. Hussey to cover the monthly expenses.

The ore that is shipped this year, General H. Baxter will attend to in New York, and see to the shipment by the steamers and advise the company, and will make no charges for his services.

The company should decide as to what extent the ores should be insured.

In my judgment, the most important question the directors have to pass upon may be stated to be, "What disposition shall we make of the ores produced?"

On ores shipped to England we pay—

For sacks, per ton	$3 00	
For freight to railroad, say	7 00	
For freight to New York	27 00=to	£7 2 0
For freight and insurance, New York to Liverpool		1 6 0
Brought forward, per ton		8 8 0
Expenses in England, say		2 0 0
		10 8 0
Add to this the excess of the value of lead in the United States from one ton of ore, say		2 12 0
		13 0 0

Thus it will be seen that if the ore can be smelted as well in Utah as in England, there would be a saving to this company of £13 per ton, which, on a product of 50 tons per day, would amount to £16,250 per month, more than sufficient to pay 18 per cent. on the entire capital stock of the company.

I am satisfied that the ore can be smelted in Utah, and this great saving made, and would recommend that a committee be appointed to examine into this question and report their opinion at an early day.

The directors should decide how much ore should be taken out of the mine and shipped within the next six months. I have not seen the mine since July 25, and I then directed that, on account of the increased railroad freight from Utah to New

York, no ore should be shipped after August 1, at which time our contract with the railroad expired.

I gave directions that the mine should be explored laterally and below, and only such ore taken out as would be produced by making explorations, (sinking shafts and running drifts.) and until quite recently, I am informed, the mine has been so worked. The report of Professor Silliman gives you the present condition of the mine, and from that report you are as well able to judge of the capability of the mine as I am. When we ceased shipping ore, on the 1st of August last, we could have continued to produce at least fifty tons of first-class ore daily.

With only one adit, and that 375 feet in length, through which we have run out the ore and *débris*, on a single tract, with delays occasioned by the necessity of taking the timber into the mine by the same adit, I do not think we can, on an average, produce much more than fifty tons per day. During June and July we produced much more than that amount, but we used extraordinary exertions to get all the ore possible to the railroad before August 1, and we produced more than we could average during the whole year.

On the 14th November I telegraphed to General H. H. Baxter to instruct Mr. Williams to get out all the ore possible for shipment until further orders.

The mine can be worked to as good advantage in the winter as in the summer, but, on account of the heavy fall of snow in the cañon, it would be very expensive hauling the ore to the railroad during the winter months. Last winter the road was not closed by snow until about February 1.

If the ores are smelted in Utah, there is no reason why the production should not be as large in the winter as in the summer.

I suppose it will be advisable to ship this fall the quantity of ore proposed in the prospectus, notwithstanding the great loss, unless we can sell the ores in Utah at a better price than we should receive if shipped to England.

I am of the decided opinion we should make disposition of the ores in Utah, and ship as little as possible and redeem our pledges to the public.

I hand you herewith, as requested, draughts of instructions I would advise to be sent to Baxter, Mr. Hussey, and Mr. Williams.

I am, very truly, yours,

T. W. PARK.

Q. Was that statement or report made to the board before your contract was concluded and the money paid?—A. Not before our contract was concluded, but before the money was paid. I had not received a dollar of money at this time.

Q. Now, I want to know whether the statements contained in that paper are true.—A. They are true, every word of them, and contain all that I knew. The board adopted the report, and then I referred to instructions that were advised to be sent out to Mr. Hussey and others. They were entered at full length on the minutes, and adopted, and I was requested to send them out as the representative of the board, which I did, some of them by cable, and some of them by letter.

Q. State, if you please, what was done in regard to making an assurance of title to the purchasers.—A. The agreement was made——

Mr. SPRINGER. Before you proceed to that, as the witness has referred to a contract with the railroad, I would like to have him state what that contract was in this connection. I mean the contract about shipping ores by the Pacific Railroad.

The WITNESS. I could not recall that. General Baxter will be on the stand, and he will tell you; he has the papers. But the special contract was very much less than the contract afterward, and before we resumed shipping ore again General Baxter was enabled to get a deduction again, but not quite to the old prices—not very much below increased rates. I state in this report, "I have cabled to General Baxter to commence shipping again." It was by order of the board that I did that.

Q. Was this contract with the railroad company in writing?—A. I presume it was; but I never saw it, and do not know. I stopped to see the president of the railroad once myself, at Omaha, (Mr. Thomas Scott, when he was president of the railroad,) and I could not do anything with *him*; but we kept the whole force of men at the mine. Professor Silli-

nan's report informed the English public better than I could do so about he condition of the mine.

Q. The question is what was done toward making assurance to the purchasers of their title?—A. The contract was that the title was to be made satisfactory to the solicitors in London; that the solicitors in London should be advised by William M. Evarts, of New York. After we had made the conveyance, by my order——

Q. The conveyance to whom?—A. To the Emma Silver Mining Company of London, by the Emma Silver Mining Company of New York. It was accepted in New York by General Baxter, as president, but by my order. Those questions arose as to the title. Telegrams were sent from New York, for the purpose of defeating it, stating that new suits had been commenced to decide the patent; and there were such suits. They commenced new suits to set aside the patent, and they had applied to the Interior Department. Those reports came over and frightened the Englishmen about the title. We telegraphed back and forth all this time, from a period prior to the allotment down to the 4th of December, but they still went on with the business, but these parties withholding their money until they could be perfectly sure about the title.

Some time in November the conveyance was made to them, and, finally, on the 4th of December, or about that time, when they had made the first payment and after these meetings, they suggested to me that they would take my bond and General Baxter's bond (they had inquired about our responsibility and did not know the other parties among the vendors) as security for the title. It was a bond of five millions, or perhaps more, and for the whole value of the mine. It proved to be more than five millions. Of course, while I had no doubt about the title, it is a large sum for which to give a bond that might by possibility involve a person, because patents *have* been set aside, or if they have not been set aside exactly, it has been in some cases held in the Supreme Court that they inure to the benefit of other parties, and that the original patentees were only trustees. Finally, they accepted it; and I cabled to General Baxter, or wrote to him, that they had accepted the bond of General Baxter and myself for the title of the mine; that is, a bond that the patent was to cover the ground patented, and guaranteeing them against all suits that were then pending. There were three or four suits then pending, one of them having been pending for some months, and one or two others having been commenced after we went to London and had obtained our patent—black-mail suits.

Q. Did you get Mr. Evarts's opinion in regard to the title by telegraph?—A. Yes, sir.

Q. Did you likewise get the decision of the Land-Office upon an application made to set aside your patent?—A. We did; in which they overruled the motion.

By Mr. SPRINGER:

Q. Will you tell by whom those suits were begun?—A. One of them was by a company called the Emma Silver Mining Company, of San Francisco, with $20,000,000 of capital; I should suppose they intended to have some of that floating-stock; that was talked about before. They were one of the claimants. Whether there was a suit commenced by any other party than them, I am not certain; but if there was not, there were claims.

Q. Who was applying to the Patent-Office for another patent?—A. It was ostensibly this Emma Mining Company, of San Francisco. They brought suit also, which *suit is pending* yet, I believe.

Q. Who were the other parties that were bringing suits?—A. I cannot tell you their names. There are, I think, three suits now pending. I do not think they will ever be brought to trial, or that the parties intend to bring them to trial.

Q. Still pending in Utah?—A. In Utah; yes, sir. Our bond was not only to guarantee the title of the United States patent, whatever it covered, but also to guarantee them against the suits then pending, and all expenses in defending those suits. I took the defense of the suits upon myself.

By Mr. PHELPS:

Q. On the reception of your bond and Mr. Evarts's opinion and this decision, was the payment made?—A. Then the payment was made of £400,000 in one check.

Q. What amount of shares, if any, did you receive?—A. I received the £500,000 in shares.

Q. Fully-paid shares?—A. Fully-paid shares.

Q. The capital of the company being how much?—A. £1,000,000 sterling; 50,000 shares, at £20 each.

By Mr. SPRINGER:

Q. You said this £400,000 was paid in one check?—A. Yes, sir.

Q. That was two millions of dollars?—A. Yes, sir.

Q. Whose check was that?—A. That was the check of the trustees who received the funds and held them until this title was settled. They were George Anderson, Mr. Puleston, and General Schenck. They signed the check, I think; I am not certain whether they signed the check or whether it was signed by the president of the company, George Anderson. I won't be certain about that.

Q. Paid in one payment?—A. Yes, sir.

By Mr. PHELPS:

Q. Was the contract of sale between you and the English purchasers in writing; and, if so, is it correctly stated on page 208 of this printed record?—A. It is.

Q. Now, will you state to the committee whether you ever made any other representations or statements, written or verbal, in regard to the value or character of this mine to those purchasers before the sale, except the two papers that you have put in evidence here; first, the statement furnished to Mr. Coates to make a prospectus from, and, secondly, the papers just read by Mr. Chittenden, addressed to the directors.—A. No, sir; I did not. After I was taken ill, on the night of the 9th of November, this second meeting, I was not down in the city, except occasionally, after I recovered. I was in my bed, I guess, ten days, and then I was down there only occasionally. I never sold any shares myself, except a few hundred to particular friends—except to General Schenck.

Q. That is later; don't take that up now. My question now is whether you ever made, by parol or in writing, any other statement or representation than those that you have already read to the committee?—A. None, with the exception of my furnishing Mr. Coates, as I said in the letter I would do, with a rough map of the mine.

Q. A plan?—A. A plan from Professor Silliman's report. He wanted to see how it would look on paper.

Q. You furnished that?—A. I furnished that, as near as I could.

Q. Was it correct?—A. It was correct.

Mr. SPRINGER. You mean any other or different statement?

r. PHELPS. Any other or different statement?
ıe WITNESS. I do not remember any other statement than this.
r. SPRINGER. In writing or verbally?
r. PHELPS. In writing or verbally, or in any way?
ıe WITNESS. You are now speaking of a time before the sale?
r. PHELPS. Before the sale was completed and the money paid over.
ınt you now to state whether the accounts of the actual products of
mine, which you have given to the committee here, were laid before
ıe purchasers; and if so, where they were obtained, and how they
e verified.—A. This statement which I have put in evidence, and
ch I furnished Mr. Coates, I laid before them in the first instance;
ıve it to Baron Grant, and he laid it before the directors. They had
ıere then. The prospectus which they drew up was based, to a cer-
ı extent, upon that, and then the balance upon Professor Silliman's
ort and the verifications they had made of the accounts.
). I want to know if those statements were before the purchasers.—
They were.
). How were they verified to them as being true?—A. They ap-
nted regular public accountants; they have such an office there.
se are public officers. They employed these accountants, who went
Lewis & Son's and to Bath & Son's and examined their books; went
ır through them, and verified the accounts.
). Lewis & Son and Bath & Son being the men who had sold the
s for your company?—A. Yes, sir.
). And their accounts were examined and verified by public account-
s?—A. Yes, sir. Right in that connection I should have stated that,
elling the mine in the first instance, I sold, not only the mine, but
the buildings, tools, and personal property and the ore on hand,
ther in the mine or *in transitu* to Salt Lake City, or *in transitu* on
railroad, and also some ore that was in the hands of Lewis & Son
Bath & Son, unsold at that time.
). In short, all the ore that the company had, from the mouth of the
e to England?—A. Yes, sir; and the sales of those ores in the hands
Bath & Sons and Lewis & Sons when I made the offer, came to
,300. I made the offer. The £46,300 I mentioned in the prospectus
ıe from the sale of those ores.
). So that the money which was turned over as part of what you gave
n, was the proceeds of ores included in that original offer, and they
e unsold when your offer was made, but had been sold before it was
pted?—A. Yes, sir. When I made the offer, which was in Septem-
the ores were on hand. Lewis & Sons and Bath & Sons asked me
ther, in view of this prospective trade, they should stop selling, or
hom they should report. I told them to go on selling and report to
New York company, and if we concluded the sale, I would pay the
ıdon company so much money. The accountants went down and
ified those accounts, and I paid £46,300 for the ores sold after I had
le my proposition to sell.
). Besides the accounts from Bath & Son and Lewis & Son, which were
ified and before them, they had Professor Silliman's report, which is
ady upon the record. I want to know from you whether you, or to
ır knowledge, information, or belief, any of your agents, or anybody
, took any means to influence Professor Silliman in respect to the char-
er of that report. State fully to the committee what you know about
t.—A. I never had seen him, and never had spoken to him on the
ject, of course. I did not communicate with him either by cable or
writing, and had nothing more to do with him, except to cable to

General Baxter to employ Professer Silliman to make the report, and to make it by cable to Coates & Hankey, than any other gentleman in this room had to do with him. He was a perfect stranger to me, but I knew him by reputation very well.

Q. If you learned at the time (because I believe that has been gone into here without restricting the evidence to legal evidence) what your agent did in respect to Mr. Silliman, (General Baxter, I mean,) I wish you would state that.—A. On my return, and not until my return, I learned from General Baxter, in looking over the accounts of the New York company, that his contract with Professor Silliman, as he represented it to be, (I do not know anything about such matters myself,) was that he was to pay Professor Silliman $5,000 before he would leave, and then, beyond that, was to pay him what was reasonable for performing that service, with a view to the weather, crossing the mountains at that time when he would possibly be snowed in, (in fact he was snowed in, I believe, some two or three weeks,) and in view of the time it might take, and the importance of the subject. But it should not be less than $10,000 nor more than $20,000. That is what General Baxter represented to me.

Q. Professor Silliman was professor at Yale College at that time?—A. Yes, sir.

Q. You required him to leave his duties at once and go over there in the winter and do this business?—A. Yes, sir.

Q. That was the contract made with him?—A. He had to procure, as General Baxter told me, some one to deliver his course of lectures, which was just about commencing.

Q. Have you any reason to suppose, or have you ever understood, that any more money was paid Professor Silliman than the amount called for by the contract that Mr. Baxter made with him?—A. I never have, sir.

Q. How much was that in the end?—A. I understood from General Baxter or Mr. Selover, who went out with Professor Silliman. Mr. Selover had other mines out there, and while Professor Silliman was there, he got him to examine those mines for him, (Selover.) Professor Silliman took probably as much time to examine those mines as he did to examine the Emma, because they were a good distance apart and there were a number of them. Mr. Selover settled this matter at General Baxter's request (being more acquainted with mining matters and what was right and proper than General Baxter was) by paying Professor Silliman $25,000, including the $5,000 that General Baxter had paid him for the examination of the Emma Mine and his report, as well as the examination and report with reference to Mr. Selover's mine. That is the way I understand it. It is only hearsay.

Q. How many trips did Mr. Silliman make out there?—A. I think but two, one in October and one in February following.

By Mr. SPRINGER:

Q. How long was he engaged in each of those trips, if you had information?—A. I have not any information. I think the first time he was absent, according to my best recollection or information, three or four weeks, and the second time longer than that. But I have not the dates and have no means of ascertaining the time.

Q. Not to exceed two months in all, then?—A. I do not know as well as he would know. He undoubtedly stated the truth. You ask me and I tell you as near as I can, which is to guess at it.

By Mr. PHELPS:

Q. This report has been before the board and is printed. What do

ou say, so far as your best knowledge, information, and belief extend, s to the truth and correctness of that report?—A. I believe it to be ue in every respect, except as to what is hypothetical or as to estimates for the future. But as to the past and present, from my subsequent examination of the mine in 1872 after my return——

Q. After Professor Silliman had examined it?—A. Yes, sir. I will ome to that afterward. I believe every word of it with the exception f one or two errors, which I will explain. You asked me a few moments ago if I had ever made any statements other than or different rom those that I have stated here. There was another one; I just call t to mind.

Q. What was it?—A. At or about the time we were closing up the transaction and giving these bonds for the title, I made what they call there a statutory declaration. I do not know exactly what it means. Under these circumstances Professor Silliman reported that, in the mine, on the way to Salt Lake City, and at Salt Lake, there were 2,800 tons of ore; that there were 300 tons at the mine, and 2,500 at the railroad station and on the way, making 2,800 tons, as stated at the company's office, without giving his own knowledge, as he did in giving measurements, &c. The day before I left for England, on the 1st day of September, I telegraphed out to Salt Lake to our book-keeper, to ascertain the amount of ore on hand, and he telegraphed me back 1,750 tons. Therefore, when I made up this statement to Mr. Coates, I put in as the ore on hand 1,750 tons. This was made before Professor Silliman's report was received.

Mr. CHITTENDEN. [Reading.] "The above does not include 359 tons sold in Utah and 1,750 tons on hand September 1."

Q. You stated 1,750 tons.—A. Yes; I stated that from a telegram received from our book-keeper. As I had given instructions not to bring out any more ore, and this was only a few days after the 1st of September that I received this telegram, I did not expect any larger quantity than fifty or seventy-five tons, just what was taken out in exploring; and when Professor Silliman's report came, stating the quantity at 2,800 tons, I was as much surprised as anybody. I had only represented 1,750 tons, and the report upon which I based that statement I had received from the mine the day before I sailed. He reported 2,800 tons as the amount represented at the office of the company to be on hand. Now the directors said to me, "We have no proof; we have verified everything else; we have got our title right; we have verified the output of the mine and everything else by Professor Silliman's report, except this 2,800 tons of ore. Now are you willing to guaran ee that?" I said I thought that was very unjust, because I did not think it was on hand; that I thought there was some mistake, and called their attention to this statement, which was before them in print, which I had given them before Professor Silliman's report arrived, in which I had stated 1,750 tons as being the amount on hand, according to my advices by telegram. I said, "It is impossible that there are 1,050 tons more which have been taken out in that time, because it is only a few days, and they had instructions to take out as little as possible." "Well," they said, "Professor Silliman's report has got to go before the public, and in making their applications for the shares they will consider that as 2,800 tons. How are you going to get along with that?" "Well," I said, "put in an explanation that that is not verified; but it is unjust to charge me with it, if it is an error, because I think it is an error." But they thought I ought to make myself responsible, and I finally did give them a written agreement that I would make good

that 2,800 tons. It fell short a thousand tons by some mistake; probably they had made it 28 instead of 18; there were 50 tons more than I had stated it and a thousand tons less than Professor Silliman had stated it. I gave them my check for £2,800 for the difference, and so settled it. Then this statutory declaration was made first, I believe, that I would settle the deficiency, (those are the words there,) and secondly, if I remember it rightly, that I believed the statements that Professor Silliman had made; had no reason to disbelieve them—that is, as to new explorations, because the explorations were made in the same direction that I had instructed the foreman and superintendent of the mine to make them. Therefore, as to the explorations of the mine, they did not disappoint me; it was just what I had expected unless they ran out of ore.

By Mr. SPRINGER:

Q. Was this a verbal explanation in the presence of the board of directors, of which you are speaking?—A. Yes, sir; as to this 2,800 tons. I gave a written agreement to guarantee it.

Q. I mean was this conversation in the presence of the board of directors of the Emma Mining Company of London?—A. Yes, sir.

Q. What was the date of that meeting?—A. I could not tell you. It was this very day——

Q. This conversation you are speaking of?—A. O, this was one of our early meetings. No; it was before our sale was completed. It was at the time it was being completed. It must have been either on the 7th or the 9th of November.

Q. Was General Schenck present as a director at that meeting?—A. No, sir; I think not.

Q. Who were present at those meetings?—A. Mr. Anderson, Mr. Pemberton, and Mr. Stanley, I know were present; every one of the English directors were present, as I remember.

Q. All present except General Schenck?—A. No, sir; Mr. Baxter was not present. Mr. Stewart was present.

Q. Was it the same evening when you were considering the title?—A. I think it was the same time that we were discussing the giving of the bond, &c. Then, afterward, and very soon afterward, I received a dispatch or letter, I have forgotten which, from General Baxter, saying that the ore was 1,000 tons short. I showed that letter to the board. Then I gave them my check for it.

By Mr. PHELPS:

Q. How do you assume that this mistake was made in representing to Professor Silliman, at the office, that there were 2,800, when they had just telegraphed to you that there were only 1,750 tons?—A. As there were only a few tons short, I cannot explain it in any other way than that they made that mistake of 1,000 tons in figuring it up. It would be a very foolish thing to do if they had attempted to commit any fraud, because it would have been exposed at once. The exact account is kept of the number of sacks and the day of shipment, and if it had fallen short a few tons, the reports would show it.

Q. You guaranteed the money for that deficiency, and you did make it up in cash?—A. Yes, sir.

Q. These three statements—that statement to Coates on which you made the prospectus, the report to the board, and this statutory declaration that you believed in the truth of what appeared in Professor Silliman's report—were the only representations?—A. The only representations. Of course, there was general conversation between me and

. Coates, and between me and Baron Grant, and between me and neral Schenck; with those three exceptions I did not make any rep- entations, because I did not meet any one. I never saw but one of English directors until the first meeting, when I was introduced to m for the first time.

}. In this conversation, was there anything different from what is in ting there?—A. No, sir. These were not representations, but con- sations I had with Mr. Coates, and Mr. Grant; and then the direc- s.

By Mr. WILLIAMS:

}. Professor Silliman was not asked to state, and I think he did not te, the nature of the services performed by him in examining these over mines. I would like to know if you can give us a general state- nt as to the nature of that service, as compared with the services ich he rendered in examining the Emma Mine.

Ir. PHELPS. We shall have Mr. Selover on the stand, who went with ofessor Silliman to make the examination, and we shall have General xter on the stand, who made the contract and paid it.

The WITNESS. I could only answer from hearsay; I never saw the over mines.

By Mr. PHELPS:

}. In taking leave of Professor Silliman's report, I wish you to state, e for all, to the committee, whether you have any knowledge or informa- n, or any reason to suspect, that any influence was brought to bear upon ofessor Silliman by anybody to induce him to vary his report in any pect.—A. I know of nothing, I suspect nothing, I believe nothing; l I want to say here, once for all, that if there was anything disclosed the sale of the Emma Mine in England, I must have known it there. any rate, so far as any fraud was concerned, or sharp practice, or ything that is dishonorable as between gentlemen, I know that there s not, that I know nothing of it, and it did not exist. There never s a fairer contract for the sale of a farm or a horse, or anything else ween two gentlemen than the sale of that mine. And it was made ely on the report of Professor Silliman, who had a high reputation in gland as well as here, and on facts that were known in England as ll as here, on information that they had later than I had; and I be- e to-day, summing up in a sentence, that the mine was worth all it s sold for.

}. Now?—A. Yes, sir, now; and I am ready to take stock in it.

}. Let me ask, in passing, whether you did perform all the stipula- ns in this contract or not?—A. I performed every stipulation that I ered into of every nature, and when I left, at the last meeting, three s before leaving, I received a unanimous vote of thanks from the reholders for the manner in which I had conducted the business, liberality I had displayed, and the frankness with which I had ted everything.

}. Now, I want you to state to the committee from the beginning what l know of the connection of General Schenck with this transaction.— I want to go a little farther than that. At the time of the sale of mine, on my contract with Grant, I agreed to sell none of my shares. e £500,000 were retained for nine months without his consent.

}. Without Grant's consent?—A. Without Grant's consent, except- to keep for that length of time something like that amount of stock show my confidence in it. He thought that there being 50,000 shares the stock, if it was all on the market it might break the market down,

and I told him I would sooner contract to keep it. Very soon aft
company was organized they commenced a bear party, as they do
stocks. But, without going into the details of that, I will say tha
wanted to get this stock on the stock-exchange board, otherwise i
to be sold outside of the board, and they never had a regular quo
of it. Some one discovered an old rule of the board which pro
that, in order to entitle a stock to be put upon the London stock-
three-fourths of it must have been disposed of by the vendors th
it was ascertained very soon after this sale was completed; and I s
think at the first business meeting of the directors the di
applied to me to sell, (because the stock was then worth
par,) sufficient from the remaining half of my stock to make u
amount which had been sold to two-thirds. Grant consented
Before they made that application to me (and that was in Dec
when they first made it) some of these scandalous reports had be
culated, that this was a mere shell which had been worked out, a
the British public had been imposed upon, that Professor Sillim
been paid $80,000 contingent, and Mr. Schenck had been bought u
500 shares of the stock, and that various other parties had be
rupted, and that the whole thing was a swindle. Those report
in as thick as blackberries. We have got a bundle of them large
this, [indicating a large bundle of papers,] most of them emanatin
one office. Those were sent around to the stockholders and
While it did not put the stock down below par, it was very anno
me, and I therefore told the directors that I would not sell a s
stock under any circumstances, nor at any price, unless they woul
out one of their own number, or as many of them as would go,
it was the whole number, to make an examination and report for
selves, taking with them just as many experts as they saw fit,
would pay the expense.

Q. This was after the mine was sold and you had got the mo
A. This was after the mine was sold, and at meetings of our
They brought it up in the board twenty times. Complaints were
by the stockholders out of London to know why it was that they
not get a quotation of the shares; that if they wanted to buy, th
to buy at a pound more than it was quoted in the papers; the
no regular market for it until it was put upon the board. W
a meeting of the stockholders; the large room was full, and I h
doubt that three-fourths of the thousand people were stockh
They requested me to sell enough of this stock to enable them
this quotation on the market. I gave them the same reason that
given before—that when the time came that the truth of all my
ments, the truth of the prospectus, and the truth of Professor Sill
report had been verified by the English directors and such exp
they saw fit to send out with them—then I would sell these shar
never a single one of them before. "Now," I said, "gentlemen, yo
send just as many as you please, the whole board if you like,
many experts as you please, English or American, and if neces
will pay the expense." Well, then, they found there was no othe
and the question was who should go. The board was canvassed fo
purpose. I said, "I will remain here till he returns." Mr. Br
Willyams, who was a member of Parliament from Cornwall, (and yo
want to see him to see that he is a gentleman and an honorable
and who was interested in two or three large smelting-works, an
president of three country banks, and member of Parliament fr
arge constituency, and a man of wealth, was in the board.

After canvassing around we found that Mr. Anderson did not profess to have any particular knowledge of mines, nor did any of the other English directors, except Mr. Brydges-Willyams, who owned in tin-mines and other mines, and had a knowledge of mines generally. The request was made for him to go out. The question of compensation came up. Mr. Willyams thought he ought to have £5,000 for going out and being gone the length of time that he would. The board thought that, even if it was a long journey and took him away from his business, they would not be justified by the shareholders in paying so large a sum, and they named £1,000 as the sum that they would pay out from the treasury of the company. I asked the board to leave the matter to me, and they took a vote leaving it to me, and this action of the board was entered upon the records. I went to Mr. Willyams and told him to go out and let the board pay him what they pleased, what might be voted at the stockholders' meeting, and I would pay him his price; that I could well afford to do so, for if he advanced my shares by a verification of what had been said and by nailing these lies that had been told about the mine, I could well afford, out of my half of the stock, to pay it; and that if he did not sustain Professor Silliman's report, why, then, I wanted to know it, because I was committing a fraud, whether I knew it or not, whether innocently or otherwise. He accepted my proposition and went out, and I made a report of this arrangement to the board, stating just what I had paid him and what I had done. They thought it was liberal, that I ought not to have done it, that there was no reason why I should have done it, but I insisted, under the circumstances, that I would do it, and I did it. We sent out Mr. Willyams, and gave him a key which has been spoken of somewhere with reference to some reports already drawn up, which he was to send back for us in advance. I suggested there might be a key so that we might get early advices by cable by means of this, and I was requested by the board to draw up the key, and I did so. Here it is:

Telegraphic key, prepared by Mr. Park for the use of Mr. Brydges-Willyams, the English director, on his inspection of the Emma Mine in February, 1872.

KEY.

Willyams and Silliman to Park.

ALBANY. The mine looks better than when Prof. Silliman made report.
ALBUM. The mine looks about the same as reported by Prof. S.
ANDOVER. The mine does not look as well as when reported upon by Prof. S.
APPLE. New explorations since Prof. S. made report show large quantities of ore not then in sight.
ALDERNEY. New explorations do not show any more ore than was in sight when Prof. S. reported.
AMERICA. There has been shipped from Salt Lake to this Co., and sold on ac. of this company, (1,000 tons sold by old Co.,) —— hundred tons. *Note.*—This should include what has left Salt Lake and the 1,000 old Co. have paid for.
BRANDY. There are at —— hundred tons 1st class ore at mine and railroad, ready for shipment.
BEACH. The quality of ore shipped to this Co. is better than ore shipped heretofore.
BRASS. The quality of shipped and being taken (1st class) is about same as that heretofore shipped from mine.
BRUSH. As near as can be ascertained, the quantity and quality of the second-class ore is fully equal to estimate.
BIBLE. The personal property on hand is in excess of the representations made by vendors.
Note.—This does not include ore on hand.
BRIDGEPORT. The quantity of personal property is not equal to the representations of the vendors.
BARN. The expenses of working the mine are not in excess of the representations made.

BOOK. The monthly expenses of working exceed by —— hundred pounds per month the representations.
CLOCK. There is being taken out now —— tons per day, which can be largely increased if desired.
CHICAGO. There is sufficient timber near the mine for timbering the mine in future.
CERTAIN. There *is not* sufficient timber near the mine to last for a long time.
CUNARD. The company can produce the quantity of ore estimated in the prospectus.
CABLE. I do not find anything that does not fully come up to the representations of vendors and in the prospectus.
CONSTABLE. We can save —— pounds per ton by smelting the ore in Utah.
CAR. We can purchase Robbins works for —— hundred pounds.
COTTON. We can put Robbins works in operation in —— weeks.
CAB. It will cost —— hundred pounds to put Robbins works in order to smelt 50 tons daily.
CARD. We have contracted to purchase Robbins works.
COAL. We can build new works, that will smelt 80 tons daily, for —— thousand pounds.
COPPER. It is feasible to build wire tramway, all complete. Will cost about —— thousand pounds.
DOWER. We can do business for other parties with tramway that will pay us —— pounds per month.
DEVONSHIRE. A wire tramway will save —— dollars per ton in transportation of our ore.
DOOR. I am satisfied our title is perfect to mine.

FLAGSTAFF MINE KEY.

DISK. Flagstaff comes up to prospectus.
DRAY. Flagstaff does not come up to prospectus.
ENGLISH. There is in sight, in the Flagstaff mine, —— hundred tons ore.
EATON. The ore contains an average of —— oz. silver per ton.
FORK. The Flagstaff has —— hundred tons of ore out of the mine, ready for smelting.
FRANKLIN. Flagstaff has —— tons bullion on hand.
FUEL. We think Flagstaff can yield —— tons per day for next year.
FABLE. We would advise purchase at price.
FIRE. We would not advise purchase at price.
HORSE. The smelting-works of Flagstaff smelt —— tons per day.
HARNESS. In three months Flagstaff smelting-works can be enlarged to smelt —— tons per day.
HAT. We can purchase Buel & Bateman furnace for —— thousand, currency, without purchasing Flagstaff mine.

Note.—In case you decide not to purchase Flagstaff, and tell Buell & Bateman, they will probably sell.

GRANT. We leave for New York to-morrow.
LEAD. We can purchase Ohio River at —— thousand dollars, currency.
LAND. We can purchase Bruner's at —— thousand dollars, currency.
LIGHT. We can purchase Vallejo Tunnel Mine at —— thousand dollars, currency.
POWDER. Purchase for me —— shares Emma.
HOUSE. Mormon Chief all right.

In telegraphing, you had better direct, Willyams, Silliman to Park, "care Jay Cooke, McCulloch, London," and I would not mix different subjects in same dispatch.

1st. Telegraph about Emma Mine.

2d. Telegraph about smelting-works and tramway.

3d. Telegraph about "Flagstaff" at commencement, and then give key and whatever else you see fit to say; but, to prevent confusion, treat of no other subject in same dispatch.

4th. In telegraphing about Ohio River, Bruner, or Vallejo Mine, give the name of the mine first and then use same key as given for Flagstaff, and treat of no other subject in same dispatch.

KEY.

PARK TO WILLYAMS. I shall send to Warren Hussey and he will hand them to you. You can tell Hussey to give you any telegram to him as you will have the "key."
GOLD. Emma is selling at —— pounds per share.
GLASS. We have closed for the Flagstaff.
LONDON. Have closed Ohio River.

He had his choice about the words. The idea was this, that he might *put it in* the superlative, in the negative, the comparative, or positive.

hose are the only papers Mr. Brydges-Willyams took with him. He ould give them by cable, without writing out these sentences in full, ith three or four words. He did so after he got there, availing himself of this key, and was able to give the then condition of the mine. n his dispatch he usually used the superlative, that is, he telegraphed hat the mine looked better than Professor Silliman had reported, and mong other circumstances he mentioned the examination, the expenses t the mine, and whether they were above or below the increased unit iven. One copy of this key was given to Mr. Willyams to take out, nd another was left with the secretary of the company, so that when he telegram came it could be read. That was deposited with the secetary by request of the board, so that if I should happen to be up town r at my rooms when they received the cable dispatch, the balance of he board might understand it by the key. I left it, at their request, ith the secretary, and they used it.

Q. Who did Mr. Willyams take with him?—A. He came to me and old me that Mr. Lawrence, the author of Guy Livingstone, wanted to o out with him. Mr. Lawrence did not feel able to go at his own exense, and all he wanted was £500. Mr. Willyams said that he would pay t if the report was favorable, if the examination was satisfactory, beause he could make it out of the mine. Mr. Lawrence did go out with im. When he arrived there Professor Silliman went out, and I think Mr. Stewart—Professor Silliman going the second time at Mr. Willyams's equest. They sent back their cables by this key, and at the same ime, on their arrival there, Mr. Willyams sent back a cable to me to urchase for him five hundred shares of stock. I purchased it for him. Before I purchased it I took the dispatch in to the board and asked hem whether they considered it honorable for Mr. Willyams, being ut there with superior information, to purchase this on the stockoard, and they said that inasmuch as the order did not come until two r three days after his cable, which gave all the information he could onvey by cable, and as the public had had the advantage of that, they ought there was nothing dishonorable in the proposition. Therefore purchased the stock for him, and held it until his return, and he paid e for it.

Q. At what rate?—A. That I let him have, I got at par and a little ove. Then they went to San Francisco, and he returned from San rancisco. On his return, after a second examination of the mine, he nt me a cable to buy 500 more, so that he had invested $120,000 in ld, because he had had to pay $20,000 premium on the stock. He urchased 1,000 shares of the stock while he was on the ground. That 500 on his first examination, and 500 on his second examination. His legrams were laid before the board, and he paid me for the stock. On s return to England, he refunded to me the money that was paid to r. Lawrence. On their way, in their travels, they met a man by the ame of Clavering, who belonged to the Irish nobility, but lived in Engnd, and they persuaded him to go out. He telegraphed back to purhase shares of the mine on his account, and purchased largely when e got back to London. Mr. Lawrence purchased by cable from Salt ake, and after he returned he purchased. This was in February, after he first examination, which was made with three Englishmen present t the examination, and every one of them purchased largely of the tock; thus showing their appreciation of the mine at that time, and hat was the time when they were working out and exploring it.

Q. I want you to state to the committee what was the general purport and upshot of Mr. Willyams's report, sent back to the board, as to

the condition of that mine?—A. I have got the full report here, but the general report was that the mine was in every respect as good as Professor Silliman had reported it, and that it went beyond any representations that had been made; that the new explorations had developed some 80,000 tons of ore beyond the quantity mentioned in Professor Silliman's report. Now, with reference to the chairman's question, as to why it was that the stock afterward fell in the market, I will explain at the next session.

Adjourned.

WASHINGTON, D. C., *April* 6, 1876.

Mr. PHELPS presented and read the following paper:

WASHINGTON, D. C., *April* 3, 1876.

Gentlemen of the Committee on Foreign Relations, House of Representatives:

I am advised and believe that the persons hereinafter named are material and necessary witnesses for my vindication in the investigation now pending before you, and I respectfully ask that your subpœnas be at once issued for them:

Richard A. Keyes, of Salt Lake City, Utah; John W. Kerr, of Salt Lake City, Utah; Jo. W. Watson, of Salt Lake City, Utah; Jos. F. Woodman, of Salt Lake City, Utah; Jos. P. Page, of Salt Lake City, Utah; Samuel Ten Eyck, of Salt Lake City, Utah; Charles B. Trowbridge, of Salt Lake City, Utah; Warren Hussey, formerly connected with the mine; Silas Williams, formerly superintendent of the mine; J. H. Morton, civil engineer, acquainted with the mine and its working under English management.

These gentlemen are old residents of Utah, familiar with the history of the Emma Mine, and will each testify to material facts connected with the sale thereof. They will, as I am advised, contradict Lyon's statement upon material points, and state facts tending to show the good faith of the vendors, and to sustain the evidence of James M. Day, who has been called by the committee as a witness against me.

I also ask for a subpœna for J. L. Sutherland, now at the Globe House, Washington. He visited the mine in May, 1871, and will testify to what himself and General Rosecrans, who accompanied him, then saw.

If any report made by Clarence King, esq., has been, or shall hereafter be presented to the committee, adverse to the value or permanence of the Emma Mine, or if the opinion or report of that gentleman is to be considered by any member of the committee, I desire to have him summoned for cross-examination, for I am informed and believe that I shall be able to show that in the year 1873, and before his printed report upon the Emma Mine, he gave evidence in a suit pending in Nevada, "The Eureka Consolidated Mining Company *vs.* The Richmond Mining Company," to the effect that the Emma Mine was located upon a true vein of silver-ore.

Also for James M. Selover, of New York, who is connected with the employment of Professor Silliman, and his payment for services.

I shall hereafter apply for subpœnas for witnesses who will impeach the principal witness, Lyon, and possibly Johnson. All those above named are, as I am advised, material and necessary upon other points presented by me for the judgment of the committee, and having direct relation to my connection with the Emma Silver Mining Company, limited, of London. I respectfully ask that each of them may be summoned at once, and that the telegraph may be used to secure their immediate attendance.

Very respectfully, you obedient servant,

ROBT. C. SCHENCK.

Mr. HAMILTON objected to going any further in this examination in regard to the Emma Mine, except so far as General Schenck's connection with it.

Mr. SCHENCK. May I not be permitted to say a word in my own behalf?

Mr. HAMILTON. I made the remark so that General Schenck might reply to it.

Mr. SCHENCK. When this investigation was opened, and I first heard of it by telegraphic dispatch published in London, and when I came to read afterward, on my return to Washington, the testimony (which I found in print and spread out at large) of the very first wit-

ness called before the committee, under the instructions of the House to investigate my connection with the Emma Mine, I found almost the whole of that testimony to consist of a repetition of various matters, or a development of things claimed to be within the knowledge of the witness, tending to show that this was not only an enterprise with which I connected myself by consenting to take shares in it, and by permitting my name to be used as one of its managers, but that the impropriety, the crime, of the proceeding consisted further, and in a great degree, in the fact that the whole matter was a fraud on the public, as windle. And this testimony, which covered page after page before my name was mentioned, is taken up with a history of the Emma Mine, going back to its discovery, going back to its original proprietors, going back to their relative interest in it, going back to their trade with each other, all matters of which I had no personal knowledge, and all tending to show, and all intended to show, that here was a great fraud to which I was a party. Following up this idea, that same witness the other day, in an extraordinary paper read preliminary to his cross-examination, spoke of me as one of the vendors of the mine. But this did not stop there. Since that time the investigation, having been thus broadly opened by the committee, has gone on in the same way, and a witness was called out of his turn the other day, as I understand, because he was here in waiting and had to leave. Mr. Day was presented on behalf of those who make that claim, (whoever they may be, witnesses or others,) and was permitted to come in by the committee and to testify, and his testimony related to the discovery of this mine.

Mr. HAMILTON. General Schenck is mistaken about Mr. Day. He came here on a letter that was sent to Mr. Springer stating that Mr. Day knew all about this matter. We had not the slightest idea what he did know.

Mr. SCHENCK. As a great part of the testimony that has been taken here has been in reference to the history and ownership of the Emma Mine, it will be certainly permitted to me to present other witnesses so as to have not a portion of the case, but the whole case, before the committee. I cannot conceive it possible that this committee will deny to me the opportunity of covering the whole ground just as broadly as the issues have been opened, or sought to be opened, against me.

Mr. SPRINGER. If this committee will concede in its report so far as you are concerned that this mine was in your judgment an honest enterprise, and that if there was any fraud connected with it you were not a party to it and knew nothing of it, would you still desire that for the sake of others the committee should investigate the question as to the value of the property?

Mr. SCHENCK. I do desire it for the sake of others, and I desire it particularly for my own sake.

Mr. SPRINGER. You desire it even though the committee concede that you knew nothing about that property in Salt Lake?

Mr. SCHENCK. The ground that I take before the committee is that I was neither a dupe nor a rascal. I know that I was not a rascal. I know that I invested my money, and struggled afterward to meet the consequences of that investment, with a view of bettering my condition, in what seemed to me, by the facts laid before me, as a good thing and a valuable property—something that might add to my limited income. I went into it with my eyes open, after, as I thought, a thorough and complete investigation. And I wish to show, not merely that I honestly went into it with an entire desire on my part to go into nothing that was an unusual and improper risk in proportion to the profits which I

expected to receive, but that I had good reason so to believe; and I think that the further you investigate the property, the more you will find my judgment sustained. I stand here now, before this committee, feeling that I have not only abundant testimony to prove, but that the proof accords with the fact, that that property in Utah is at this time an enormously valuable property, and nothing but the mismanagement of this English company who have had charge of it is the reason of its proving at this time such a failure as it appears to be in regard to any profits to be received from it. I not only believe that, but I believe that it can be abundantly established by testimony before this committee. I do not feel like being treated as if it were a matter of grace to say to me, "You are only a simpleton, only a booby; you permitted yourself to be taken in by others." I feel that, as the committee has opened up this inquiry into this mine, I am entitled to an investigation which shall probe the matter to the bottom, let the results be what they may. I confess that after the case has been thus opened, and has continued to be kept open by testimony offered under the sanction of the committee, I am taken somewhat by surprise at an intimation, which I feel confident the gentleman will not persist in, that I am not to be permitted to put in testimony in the least degree responsive to, and, as I think, contradictory of, the various points made by those who have opened the history of the mine, its sale, and all the matters connected with it. I am pointed by counsel to page 32 of Lyon's testimony, wherein this occurs:

The CHAIRMAN. Proceed with your statement.

The WITNESS. Do I understand that I am at liberty to state what Mr. Park said?

The CHAIRMAN. You are not restricted. You may state all that you know in regard to this transaction.

And then Lyon proceeds with his story. I don't know that anything which I can say can add to the view which I presented in plain, straightforward terms to this committee. I think I am not hazarding too much when I say that not one particle of that testimony on the part of Lyon would have been received in any court of justice, for it is either all hearsay or innuendo, or inference from hearsay. But there it is, and it has gone to the world on the wings of the lightning, and has been published on both sides of the Atlantic—published to my prejudice. It has been published with a view not merely to connect me with the Emma Mine in some improper way, but to connect me with it as a matter of a fraudulent character and of a fraudulent sale, and of a fraudulent placement on the market in London. Everything, therefore, having been thus opened up by this inquiry, and followed up until this time, by the testimony since taken, it seems to me, as a matter of sheer justice, that I should be allowed to present such testimony to this committee as will cover all the issues thus presented. It is to me a very grave matter, as it would be to you, gentlemen, that, having passed so many years of my life in the public service, with my private character, I trust, unimpeachable as it was unimpeached, I should find myself now in the position of having everything connected with my relations with this matter under consideration made a subject of investigation; and then, when much has been opened which leads in one or the other direction, to have the testimony stopped with an assertion that it must go no further, and stopped apparently on the ground that the committee will consent to regard me as a dupe in this matter, and to acquit me of any intentional wrong. I think it better for the world, I think it better for the public, I think it better for the common cause of justice all over the country and in both countries, that now that the matter has thus far progressed before the committee, the committee should sift it to the very

bottom. I beg pardon for having felt myself (a little surprised at the position taken) under the necessity of asking this indulgence of the committee, but I think I can ask no less.

Mr. HAMILTON. I made my objection so that General Schenck might have an opportunity of being heard by the committee. The whole attitude of the committee seems to be misunderstood by him. When we commenced the investigation we knew nothing at all about these matters. Whether General Schenck had any knowledge of the first inception of this mine we did not know at all except so far as we could get it from some witness. It is absolutely essential for an investigating committee to hear everything, in order to see what witnesses to call, and how to get at the facts, and of course the testimony of the first witness coming before an investigating committee must be somewhat rambling. That is very evident and must be evident to any one. When the testimony came out that General Schenck knew nothing of the mine originally, so far as Mr. Lyon and Mr. Johnson knew of the transaction, then it was stated that their whole testimony amounted to nothing so far as Mr. Schenck's connection with the mine was concerned; and it was said that if Senator Stewart wished to vindicate himself, or if Mr. Park wished to vindicate himself, or if any one wished to do so, he was at liberty to be heard, but that the committee could not pass upon the testimony. We could not bring it in to the House and say that the Emma Mine was a magnificent scheme, or that it was a fraud, unless it were shown that General Schenck knew of the fraud. I do not understand that if we took 16,000 pages of manuscript testimony, or printed, and afterward suppressed it, that would do any good to General Schenck or anybody else. This matter is to be tried in court in New York, and there the original vendors of the mine will be vindicated or censured. There is the proper tribunal, and this committee certainly ought not to make evidence for that tribunal. We have nothing to do with the fact whether General Schenck was a dupe in this matter, or whether he acted as a business man should. It is very evident that he knew nothing about the mine in Utah except as he heard it from the vendors and from whatever telegrams might have been put into his hands. He may have acted as a business man or he may not. That is a matter that this committee has not to consider. I think the committee has done everything it possibly could do. Mr. Lyon has been called, and cross-examined, and subjected to a very rigid examination. Mr. Hillyer has testified and Mr. Day has testified, and, in my opinion, any other evidence in regard to this matter would be merely cumulative.

Mr. SPRINGER. It is an entire mistake to say that Mr. Day was called here to testify against General Schenck. A gentleman in Illinois wrote to the chairman of the committee stating that Mr. Day was one of the original owners of the mine, and that probably he could tell as much about the sale of it to Park as anybody else. Mr. Day was therefore invited to come here. We knew nothing about what Day could testify in the matter. After he came here others talked with him, and I was informed that his evidence would be more favorable to General Schenck than otherwise, and I insisted that he should be put upon the stand.

Mr. PHELPS. The very first answer that Mr. Day gave was that he had no knowledge whatever in regard to General Schenck's connection with the mine. Then he was examined at great length, it being evidently thought his testimony would tend to show that the mine was a fraud.

Mr. SPRINGER. If we had been unfriendly to General Schenck we

should have sent the witness back before he was examined. The committee should not be put in the attitude of prosecuting General Schenck, or bringing witnesses to testify against him. We are bringing witnesses here not to testify against General Schenck, but to testify to the truth, and to bring out all the facts that are pertinent to the issue. I am willing to hear all sides.

Mr. BANKS. It was understood by the committee that the testimony of Mr. Day would be adverse to this interest. The way that Mr. Day was introduced and the way his knowledge was stated led me to believe that his testimony would be adverse to this Emma Mine representation in England, and it was with this view that I consented to and advised his being brought here. I expected that Mr. Day was adverse when he began to give his testimony, and it was for that reason that I put the question to him whether, in his knowledge of the mine, from beginning to end, he ever knew of any fraud being connected with it.

Mr. SCHENCK. Members of this committee do not seem quite to appreciate my position. All over America, all over Great Britain, all over the world I might say, this whole matter of the Emma Mine and its history and its character and its sale and its management has been spoken of as "a great swindle." It has been called "the Emma swindle," the "Emma scandal," and my name has been connected with it, with this shadow from the enterprise itself all the while throwing its darkness over me. I did hope that I might come before this committee (and I hurried home for the purpose) in order that everything connected with it might, if possible, be made as clear as light. It involves more than the question whether I had fraudulent connection with that mine. It involves necessarily (and the committee so understood when it proceeded to inquire into it) whether the mine itself was a fraud. If it should go out to the world, under the sanction of this committee, that the mine itself was a great fraud, although I was not in any improper or discreditable way connected with it, it would still be impossible to separate my reputation in the one connection from the reputation which had been assigned to me in the other. People would say, they do say, the newspapers everywhere say, and newspaper reporters give currency to it, that it is impossible for there to have been a great swindle in this mine without Schenck knowing something about it. I am entitled, therefore, to have the committee proceed to a full and thorough inquiry in both branches of the case; not merely whether it was a fraudulent connection that I had with the enterprise, but whether in fact it was, as an enterprise, a fraud; the one involving to a certain extent, and to a very great extent, the other. But I am not left to ask this on mere general grounds. The committee itself has opened the way, and now that a portion of the testimony on that point is submitted, I ask the committee, would it not be extremely unfair if I were not permitted to go on and give all that I can which is pertinent and proper on this collateral issue? That is all that I ask—to respond to and to answer, to rebut and contradict what has already gone forth. But an honorable member of the committee says (and he says it very kindly too) that all this would be thrown out of sight; that it would be virtually suppressed in the conclusions to which the committee might come, because it is impertinent to the particular issue which this committee is engaged in the investigation of. You cannot suppress it. It has gone to the world, and I am abused every day in the newspapers on the strength of statements here made.

Mr. HAMILTON. Are they not contradicted by your own witnesses?

Mr. SCHENCK. Yes; and we want them contradicted further by witnesses.

Mr. HAMILTON. That is only cumulative testimony. You have had more witnesses here to contradict than the prosecuting witness has had to corroborate. Your testimony has been cumulative. You have had four or five, with nothing but the prosecuting witness against you.

Mr. SCHENCK. We have introduced nobody as yet, except Mr. Stewart and Mr. Park and Mr. Hillyer. Mr. Day was introduced on the other side, and Mr. Johnson and Mr. Lyon were introduced on the other side.

Mr. HEWITT. What is the practical question that you wish to prove? Do you wish to prove that the mine was worth what it was sold for?

Mr. SCHENCK. Yes. I want to show that it was a fair sale at a fair price.

Mr. HEWITT. The three most eminent mining experts in the United States to-day, Clarence King, Rossiter W. Raymond, and W. P. Blake, say the opposite.

Mr. STEWART. I deny that most emphatically.

Mr. HEWITT. I say, as a man familiar with the business, that if I were asked to point out the three men most eminent and expert in mining matters, I would pick out these three men, and I have to say to you that I have refused to bring them here before this committee to testify as to the value of the mine. I do not think that the value of the mine has anything to do with the question before the committee. Nevertheless, I say to you now, that these gentlemen have all communicated to me the fact that they examined the mine with respect to its value, and that they all think it was sold for a good deal more than it was worth. Do you wish me to bring them in and testify to that? You see that there would be no limit to this thing.

Mr. BANKS. The very first information that this committee had was when you (Mr. Hewitt) informed us that you had in your drawer what would settle this matter. And I said to you then, at the very beginning of the discussion, that we were not to proceed upon anything in your drawer.

Mr. HEWITT. The information which I said I had was the testimony of General Schenck himself, which I said was all that we ought to have. And that testimony was what I had in my drawer.

Mr. BANKS. I do not wish to discuss the question as to what was in the gentleman's drawer. But the first information that we had here was from Mr. Hewitt that he had the evidence in his drawer which would settle this matter.

Mr. HEWITT. I have been always opposed to going into this question.

Mr. HAMILTON. Mr Hewitt raised an objection to the whole of this testimony about the value of the mine, and said that General Schenck's own testimony was all that was wanted.

Mr. BANKS. Mr. Hewitt has been opposed to this inquiry from the beginning, because he wanted to have the whole thing decided upon the evidence which he himself personally had.

Mr. HEWITT. It was General Schenck's own testimony.

Mr. SPRINGER. Which had been published in the London papers.

The CHAIRMAN. In regard to the remark that has fallen from General Schenck, I want him to know my position here as chairman of this committee; and I want him to know the liberality with which he has been treated from the very first by this committee in the prosecution of this investigation. If I know myself I am incapable of doing injustice to General Schenck or any other person. I stated to this committee,

when these questions came up in the beginning, that I was for seeing the amplest justice extended to General Schenck in the conduct of this investigation. I will call General Schenck's attention to the resolution adopted by the committee to this effect: "*Resolved*, that the committee will not close the testimony, nor make any report to the House of the evidence in the investigation now pending under the resolutions of the House passed on the 7th and 29th of February, until Minister Schenck shall have had the fullest opportunity of being heard, if he shall request such hearing." Mr. Monroe will do me the justice to say that I requested him (and I believe the request was made by other members of the committee) to tell the friends of General Schenck in the House of the liberal purpose of the committee in the conduct of the investigation, and that we desired to see General Schenck have the fullest opportunity extended to him to make all the explanation necessary, and to put him in such a position before the committee as to elicit all the facts connected with this case. I repeat, that I want to see the amplest justice done to General Schenck. I think he would not ever meet with a more liberal disposition on the part of any body of men called together for the purpose of prosecuting so grave an investigation as that which he has met from us. General Schenck has complained of the course pursued by the reporters—that information has gone on the wings of the lightning to every part of the country, and even beyond the Atlantic. That was a matter entirely beyond the control of this committee. This committee has no power whatever to restrain the press. It was agreed that when the investigation was made it should be public, as that is the course pursued by all the committees, and as it is in accordance with the desire of the country. If the reporters have undertaken to publish what has transpired day after day, General Schenck must know that that is a matter entirely beyond the power of this committee to control or to limit, or to take any action whatever upon. My object in making this explanation is to prove to General Schenck that there was no disposition whatever on the part of this committee to withhold any favor that might be extended to him in connection with this business. I found yesterday that this investigation was involving very great expense; that many witnesses were being summoned who were believed to be quite unnecessary for the further prosecution of the investigation; that the bringing of them here would entail upon us immense labor, and probably cause the censure of the committee by the House for permitting those expenses to be incurred without some effort to check them. I suggested yesterday to one of the counsel for General Schenck whether, instead of examining witnesses, (of whom I find that he brings in a batch of names to-day from a very remote region, the summoning of whom would entail vast expense upon the Government,) he could not examine them by deposition. I thought it could be done, and I thought it would answer every purpose; but I regret very much to see that my suggestion has been ignored. I also regret to see that I was ignored in the effort which I made yesterday to bring out some explanation before the committee. When I wanted a prompt reply to an inquiry as to what impression had been made on the British public by the sale of the Emma Mine, I found I was cut off by the counsel for General Schenck. I was so far cut off that I felt no further interest in the question. I thought that that was an act of gross impropriety to the chairman of the committee; and I thought that the counsel for General Schenck were taking the control of the matter entirely into their own hands, and that they wanted to run it according to their views. Therefore it was that I asked the principal counsel on the part of General Schenck

hether (if there was not any necessity of entailing this immense ex-
ense on the Government) he would not have those witnesses interro-
ated by deposition instead of going on and perhaps protracting this
ivestigation till the end of the session, when it may be impossible for
s to make up such a judgment as would be satisfactory. So far as
eneral Schenck is concerned, I protest again that I am incapable of
oing injustice to him, or any other man. I am for the amplest justice.
am incapable of making a suggestion here which is not in the interest
f justice. I wanted to make this statement fairly to the committee,
nd then to see how far it is competent for us to consider what the counsel
r General Schenck claims is necessary for the vindication of his client.
ly friends on the other side in this question will sustain me in all that
have said in regard to the efforts which I have made for bringing this
ubject fairly before the attention of General Schenck's friends in the
louse, in order that he might have all the aid which he could have cal-
ulated on from that quarter.

Mr. CHITTENDEN. And the counsel for General Schenck will sustain
ou in what you say about your efforts on the other point, Mr. Chair-
nan. And if any word has escaped me containing the slightest implica-
ion of unfairness or injustice on the part of the chairman or of this
ommittee, I have been very gravely misunderstood.

Mr. MONROE. I take pleasure in saying, in justice to our chairman,
hat I have always found him to be disposed to be very fair in this
natter, and it is true, as stated, that he was prompt and decided in not
aving the proceedings go on in General Schenck's absence, and in hav-
ng the whole matter delayed until General Schenck could return, and he
lid desire me to state to the friends of General Schenck that ample oppor-
unity should be given, and that the investigation should not be con-
lucted in his absence. In justice to the whole committee it may be
roper for me to say that this resolution, announcing that we would
ostpone the investigation till General Schenck's return, was passed
nanimously, and I will take the opportunity of adding that when the
mpression prevailed the other morning, to some extent, that General
Schenck was to be subjected to a cross-examination by one of the wit-
nesses, (which was deemed a most irregular and unusual proceeding,) and
hen I made the motion that it was the understanding of the committee
hat the witness should not be allowed to cross-examine General Schenck,
hat motion was unanimously sustained by the committee. On both of
hese occasions, I believe, the committee voted unanimously on the side
f liberality. I think that this statement is due to the committee and
o the chairman.

Mr. PHELPS. Reference has been made by the chairman to a sugges-
ion made by me yesterday. He will allow me to express my great
egret that I should have been so far misunderstood. Nothing was fur-
her from my intention than to interfere with any course of examination
hich the committee might desire to make. But I saw at once (as
entlemen will see as this examination progresses) that if the witness
ad undertaken at that moment to pass over what necessarily went be-
ore, in order to make it intelligible, and should attempt to give an
nswer at that time to the inquiry of the chairman, he would give an
nswer which could not be understood.

The CHAIRMAN. I differ with the gentleman there most decidedly. I
hink his answer would have been understood, and I think that was
he opportune moment to make it. Therefore I desired that it should
e put in at that point.

Mr. PHELPS. I was only stating my own views. I do not doubt at all

the propriety of the course of the chairman in his estimation. It appeared to me that it would have been impossible for the answer to be made then in an intelligible form, unless the witness was allowed to state facts which preceded the point of time at which the shares began to decline on the London market; and therefore I made the suggestion (which I supposed was acquiesced in, or I should not for a moment have presumed to do it) that he should be allowed to go on with the previous statement of the case until he arrived at the point where he could, in an intelligent and intelligible manner, answer the inquiry. If I had supposed for a moment that that suggestion was not perfectly acceptable to the chairman and members of the committee, I would have immediately withdrawn it. It was Mr. Park's intention, when he commenced his examination to-day, to address himself directly to the question put by the chairman yesterday, and, in doing so, I think he would have given an answer which would be much better understood than if he had attempted yesterday to explain it. I extremely regret it, and if I had known it at the time I should certainly have explained it and withdrawn the suggestion. None of us connected with this investigation on the part of General Schenck ever, for a moment, supposed that there was any intention on the part of the chairman, or on the part of any other gentleman of the committee, to fall short of extending the utmost liberality and fairness to General Schenck in this case. The character of the gentlemen of the committee is sufficient ground for that, and we needed no other ground for thinking so. We had no evidence to the contrary.

It has been said by one of the members of the committee that in calling witnesses here to testify to facts which were not known to the committee, the evidence would naturally and inevitably extend itself, and perhaps run over a larger field than the inquiry would ultimately look to. That is very true, but a reference to this record will show not only that the testimony of Lyon and Johnson runs over all the ground from the original discovery of this mine down to the present day, but that they were, both of them, at length and at large interrogated by gentlemen of the committee on that very part of the case.

Mr. HAMILTON. You will do me the justice to say that they were not interrogated by me.

Mr. PHELPS. I do not allude to any gentleman in particular. It will be found that various members of the committee put those questions. It will be found that a large share of that testimony was given, not as volunteer statements, but in response to questions put by members of the committee. Now I am very far from reflecting on the course of the committee in putting those questions. It seems to me to be an inseparable part of this investigation. It seems to me that if I had the honor of a place on this committee the immediate question to which I should have addressed myself in regard to General Schenck's conduct would be the character of the enterprise; whether it was an honest and honorable enterprise which any gentleman might be honorably connected with, (if his official character did not render it improper,) or if it was a fraud and a swindle.

Mr. MONROE. You say that the first question is whether it was an honorable enterprise. Would it not be practically nearly the same thing for the purpose of this inquiry if it should be stated by the committee that General Schenck fully thought it to be an honorable enterprise?

Mr. PHELPS. It will be impossible to convince the public.

Mr. BANKS. General Schenck was bound to know, before he gave it his official indorsement, that it was an honorable enterprise.

Mr. PHELPS. He was not only bound to know it, but he must have known it. It is very well as a matter of courtesy to General Schenck, who is here present, for us to say to him, "We suppose, from your character, that you are quite innocent in this." The world does not suppose so. The result of the action now proposed, to shut out this evidence, will be that you gentlemen will see day after day, week after week, and month after month, in every newspaper in New York, and in nearly every newspaper in the country, this thing reiterated over and over again, that General Schenck must have known of this fraud.

Mr. HAMILTON. Suppose you accumulate this evidence, will not the newspapers say the same thing?

Mr. PHELPS. No, sir; we can then point to the evidence and to the report of the committee, and show, beyond peradventure, the honesty of the transaction.

Mr. SCHENCK. I should be very much aggrieved, indeed, if I thought the chairman would continue to feel that I was laboring under the impression that he had treated me in any way unfairly. I beg to call to his recollection what occurred when I first came before the committee. It will be remembered that I knew first by seeing, on the morning after the testimony was given here, a telegraphic report printed in the London papers, the testimony given before the committee by this witness Lyon, and I announced at once, without the delay of an hour, my intention to come here. I had a day to prepare, a day to get to Liverpool, and I sailed the next day. I was fifteen days on the ocean, having had a tempestuous passage, and I did not know what had been the action of the committee. The resolution quoted by the chairman I never heard before. I heard of it, but not till after I had appeared before the committee. I assure the chairman that, up to the time of my writing a letter to him on the morning after my arrival here, and until I came before the committee, I did not know what had been done. I started from London, not in my usual condition of good health, and had a prostrating passage across the ocean.

I came here in not very good condition, but I hurried to make my appearance before the committee. I have no complaint whatever to make of the fairness with which I have been treated by the chairman. But I am sorry that he should think for a moment that my remarks assume the character of complaint. What I ask this morning is the simplest thing in the world, not that the testimony taken in public shall not be reported by the reporters, but that having reported it as they have, I want all the rest of it to go to the world. We want to make the record complete. We want the testimony that we can give to follow the testimony that has been given before, covering the same issues. That is the whole of it, and that I confess I thought I should not have any difficulty in getting the assent of the committee to it. I am sure that every member of the committee is sensitive to public opinion and what is due to his own reputation and character; and I am sure that if he were in my position he would desire that, this testimony having been opened and this impression made upon the country, the whole of it should go out. It is true a member of the committee asks, will not the newspapers say the same thing? They may, but here will be the record to contradict it.

Mr. WILLIAMS. If there are any two sides to this investigation, I do not know on which side of it I am. I have tried not to know, and I think that that is the disposition of the entire committee. My position is very well known to the committee in regard to this question. I found that yesterday there was misapprehension on the part of counsel, or on

the part of the committee in regard to the examination of witnesses. I thought it had been the course of the committee to examine the witness, and then, perhaps, to allow counsel to do so if they desired. I feared then (and I regret now that I did not allude to it at the time) that there would be a misapprehension on that point.

Now, with regard to the issue here. Whether right or wrong, we have gone into these two examinations, first the character of the mine, and second the connection of General Schenck with it. It has seemed to me all the time that the character of the mine, its notorious character, the character of the gentlemen connected with it, and the fact whether it was a swindle and a fraud, was of the utmost importance to General Schenck, and to his connection with it, not directly, perhaps, but in public estimation. This is not a trial before this committee alone; it is a trial before the world. It strikes General Schenck and this Government, and it strikes deeply. It is a thing which he is deeply interested in. Every member of the committee appreciates this, I trust, as much as I do. It is natural for him, and it is natural for all against whom this charge has been alleged, to feel a desire for it to be thoroughly investigated. Their desire, perhaps, would carry them farther than the committee may desire to go, or can afford time to go, but I have thought that, as to the general investigation of this question, and as to the character of this mine, so far as that inquiry can be carried on within reasonable limits, if the committee err at all, it should err on the side of liberality, so that when a conclusion is reached, it may be fair and aboveboard, no matter whom it strikes. Let whoever does feel the weight of our opinions feel that he has been treated with the utmost generosity and the utmost liberality in this investigation. I trust that we shall strain a point even, if necessary, to extend this investigation so far as we can within reasonable limits, and hear the witnesses whom General Schenck asks to have subpœnaed.

Mr. SPRINGER. Is there any objection to having interrogatories and cross-interrogatories put to these witnesses and filed?

Mr. BANKS. According to my understanding, the statement of the chairman in regard to his purpose and in regard to the general course of the committee has been accurately and fairly stated by him, and I presume that every member of the committee will admit the same.

The room was cleared for deliberation, the result of which was announced on a future day to be that testimony as to the general character of witness would not be received, but that the application for the subpœnaing of the other witnesses named in the paper submitted was granted.

Adjourned.

WASHINGTON, D. C., *April* 7, 1876.

Examination of T. W. PARK continued.

The WITNESS. I was stating when we adjourned yesterday about the examination that was made by Willyams in February or March, 1872. He left London on the 19th or 20th of January. I stated that we paid £5,000 for his services, which fact was communicated to the board. Here is the contract, which I will put in evidence. It is in Mr. Brydges-Willyams's handwriting. The body of it is in my own; the signature is in his. It is as follows:

Received January 19, 1872, of T. W. Park, fifty-five hundred pounds, (five hundred pounds for Mr. Lawrence, and five thousand pounds for myself,) and, in consideration

ereof, I agree with said Park that all I receive from the "Emma Silver Mining Company, limited," beyond my expenses, and also all I may make profit on two thousand shares of stock in said company, which said Park has agreed to give me the privilege of purchasing, I will pay to said Park to the extent of five thousand pounds, but not beyond that sum.

E. BRYDGES-WILLYAMS.

By Mr. PHELPS:

Q. Was that contract communicated to the board of directors?—A. It was. That is, I stepped out with Mr. Willyams and made the arrangement, and I then stated to the board what it was. On the same day I signed this paper:

For value received, I agree with Brydges Willyams, esq., to give him the privilege of taking from me, at any time within thirty days after his return from the United States, (2,000) two thousand shares in the "Emma Silver Mining Company, limited," at twenty-one pounds per share.

T. W. PARK.

LONDON, *January* 19, 1872.

For that Mr. Willyams paid me cash on 100 shares before he left, as shown by a note at the bottom of this paper, as follows:

In consideration of two thousand pounds received of Brydges-Willyams, esq., I agree to transfer to him, on demand, one hundred shares in the "Emma Silver Mining Company, limited" with all dividends from this date.

T. W. PARK.

LONDON, *January* 19, 1872.

Mr. Willyams went out and visited the mine, as I stated, with two other English gentlemen. He made a report, of which he telegraphed a short synopsis by this key which I exhibited the day before yesterday, and he wrote to me at the same time a letter, partly social and partly relating to this business, from which I will read the following extracts:

SALT LAKE CITY, 28*th Feb.*, 1872.

MY DEAR MR. PARK:

I dare say you will like to have a few lines from me on my return from the mine. * * * * You will have received my telegram from the mine, and I am sure that must have been quite as satisfactory as the most sanguine could have expected. We shall mail our report to-morrow.

I have no doubt that there is ore enough discovered within the last four months to pay two years' dividends, *without touching the reserves.*

We have not yet made up our minds respecting the purchase of any other mines in the cañon; indeed, they are so little developed that it is most difficult to form an opinion of their value.

We go to see Robins's Smelting-Works to-morrow, and the matter of the wire tramway I hope to arrange on my arrival at San Francisco, where I understand I can get it made for half the price given me in London. * * *

Always yours, sincerely,

E. BRYDGES-WILLYAMS.

Mr. Willyams, after sending the cable, also notified the company by cable when he should leave New York, and as I was in a hurry to leave London to come home I called a shareholders' meeting to meet Mr. Brydges-Willyams on his return, (giving him two or three days leeway,) to hear his report, verbally or in writing. On his arrival at London he found that his father, who had come down from Cornwall to meet him, and had been taken suddenly sick, had died after he reached London. The consequence was, that Mr. Willyams did not attend this meeting. But he wrote a letter which appears in the records of the meeting. I attended that meeting, and I will ask Mr. Chittenden to read what is pertinent in the proceedings of the shareholders.

Mr. CHITTENDEN. This is a record from the minutes of the company of the proceedings at the first ordinary meeting, held at Cannon Street

Hotel on Thursday, March 7, 1872, George Anderson, esq., M. P., in the chair.

(The paper was put in evidence, and is appended to this day's testimony, marked Exhibit A.)

The WITNESS. I stated that that meeting was the one held when they were expecting Mr. Willyams. I find now that that was the one which was held after receiving this dispatch under the key. Mr. Willyams did not arrive there until May, not March.

By Mr. PHELPS:

Q. Do you wish to state anything that occurred after March 7, and before the shareholders' meeting in May?—A. Yes; in the month of March, after a further dispatch from Mr. Willyams, the directors applied to me again to sell 8,500 shares of stock, so as to reduce the amount of vendors' holding to one-third, in order to comply with the rules of the stock-exchange, so as to get a quotation. That had been urged by stockholders and directors. I had refused to sell any shares till some one was sent out and a report received. Mr. Willyams, after making this report, and after this meeting, visited San Francisco, and came back to the mines, and made a second visit and a second telegraphic report. As to these 8,500 shares, it was claimed by the directors and shareholders that the first option should be given to them to take them, and I left the directors to manage it as they saw fit. They issued a circular to the shareholders, saying that 8,500 shares of stock were offered, in order to reduce the vendors' shares to one-third, and that they had the option to subscribe for it. This was on the 1st of April. The circular stated that the books should be left open until the 6th of April. The circular being issued on a Monday, the books were closed, I think, on the Saturday following. The shares were subscribed for about twice over by the shareholders, at £23 per share. The shares were running at that time about £23, and from that time up to April 6, at £23 to £24. They had no quotation on the stock-board, but I see that they were £23 and £24, (£24 being the asking price, and £23 the price offered.) On the 14th of April they were £24 and £25; on the 20th they were £30 and £30½; on the 27th they were £31 and £32, and on May 4, they were £29 and £30.

These shares were placed at one time under my contract with Mr. Grant. I contracted for the sale of the first half of the shares, and to tie or deposit with Jay Cooke, McCulloch & Co., for nine months, the other half. All this was known to the directors and shareholders. Therefore that contract had to be changed to enable these 8,500 shares to be sold, and I made a second contract with Mr. Grant, at which time I obtained the information which I communicated to the meeting on the 7th of March, as to the compensation which Mr. Grant had received for the service already performed. Mr. Grant had the disposal of the balance of the shares. These 8,500 shares were subscribed and paid for, and nothing more was done in the way of reports (after this report from Mr. Brydges-Willyams after his return from San Francisco,) till after I left London, on the 11th of May. Before I left I sold all the shares I intended to sell, which left me 5,450 shares unsold. The shares that had been sold after this meeting in March were sold by Mr. Grant, under the contract which I made with him when he released them from the deposit with Jay Cooke, McCulloch & Co.

By Mr. HEWITT:

Q. When you left London all the stock that you owned was 5,450 shares?—A. Yes.

Q. What was the date of your leaving London?—A. The 11th of ay.

By Mr. PHELPS:

Q. Did that reduction give the company a quotation on the stock-xchange?—A. No, some other objection intervened; I forget now what.

Q. You had sold shares enough to give the company a quotation?—A. Yes. The balance of the shares were sold under the contract with Grant. Most of those 5,450 shares that I had when I left, I had bought n the open market, because I had conveyed to Mr. Grant the right to sell the other shares. Therefore I bought between the last of April and the time that I left London in May, at prices varying from £25 to £27¾, (which I think was the highest I paid,) a large number of shares. When I left London, I transferred those shares to Mr. O. A. Gager, and left him as my agent, with instructions not to sell the shares without orders from me on my arrival in America. All the directors and stockholders knew that these were still my shares, although held in Mr. Gager's name. Just before I left London was the time that Mr. Willyams returned, and this second meeting of the 8th of May was the one at which they expected him, and at which a portion of his report was read. He was not present, on account of the death of his father.

By Mr. HEWITT:

Q. I understand you that the whole of the reserved shares had been sold by Grant.—A. Not all of them. I made a subsequent bargain to have some of that myself. So that I did not buy all of these 5,450 shares on the market, but only a portion of them.

Q. What amount of them were purchased on the market, and what amount of them do you suppose formed part of the 25,000 shares deposited with Jay Cooke, McCulloch & Co.?—A. I should say that one-half of them was bought in the market and the other half from Grant.

Mr. CHITTENDEN. This report of the meeting of the 8th of May commences with a statement by the chairman that the reason why Mr. Brydges-Willyams was not there was on account of the death of his father. I will read a portion of the report.

[The report was read by Mr. Chittenden and put in evidence, and is appended to this day's testimony, marked "Exhibit B."]

Mr. PHELPS. Proceed, Mr. Park.

The WITNESS. I sailed on the 11th of May, and arrived at New York on the 21st, and in the early part of June——can you give me the date of that?

Mr. CHITTENDEN. The 6th of June, I think.

The WITNESS. At any rate, in the early part of June I received two cables from London, one from the chairman of the company and the other from Mr. Gager, who was my agent, and who still held all the shares that I had in England. Both these dispatches were to the effect the "cables are said to have been received here by Lyon that the mine has been flooded and caved in, and that the Illinois Tunnel Company are in forcible possession of the mine." That is about the way it read. I did not answer Mr. Gager, because I supposed that my reply to Mr. Anderson would be made public, as I learned afterward that it was, for he put it on the bulletin-board of the stock-exchange. I answered, "There is not a word of truth in it. It is one of Lyon's lies." I dispatched that. That was in the evening. The next morning I received a letter from Mr. Cyrus Williams, who was the superintendent of the mine, who wrote me that the mine was flooded and it had caved in in

some parts, but the damage was not serious, and that the Il nel Company had seized that moment to break into the up the mine, while they were flooded out, and were holding forci sion of it. I immediately telegraphed on the next morning derson again, (I did not telegraph to Mr. Gager,) "I have that the mine is flooded and has caved in, and the Illinois Tu pany are in possession. I go immediately to Salt Lake to att company's interests." About the same day that I sent off graph Mr. Stanley, who was one of the English directors That was early in June.

Q. He was in New York?—A. He was in New York witl he did not come there by employment of the company or quest; he was here on a tour of pleasure, but was going out mine. He came in and showed me a dispatch from Mr. And ing him to see me and to go out with me to the mine and to all meant. I then left with Mr. Stanley and employed Judge go out with me, and we went out as soon as we could; we days' trip, I think. The first thing we did when we arrived w up papers and apply for an injunction against the Illinois Tu pany; that is, an injunction against their working the mine their interfering with our working it. The question that w that case of the Illinois Tunnel Company was whether we w same vein. The act of Congress providing for a patent (a received our patent) provides that the patent shall be iss many linear feet of vein, with all its dips, angles, spurs, and and then that the patent shall also cover so many feet on ea working purposes. The ground where they broke into our not under our patent; that is, the surface patent ground courts had held, whenever this question had come up, that tl the thing patented, and that the mine was only the land 50 outside, simply for the convenience of working the mine.

Q. So that the linear feet followed the course of the vein the red line?—A. With all its dips, angles, and variations, that the law has been amended by recent act of Congress patent is good for so many square feet down vertically, fol vein down it is true if it follows off from that line, but not lengthwise if it runs off the line, (that is the reason, I thin the other construction of the law led to a great deal of litigat first claimed that we were confined to our patented ground face. That was absurd, of course; so decided, I think, not by of the Supreme Court of the United States, but by the ot Then they claimed that, even if we were entitled to follow th was not on the vein. This Illinois Tunnel Company came new explorations described by Professor Silliman and Brydges though I had never seen them. We obtained an order of th an inspection of the mine during the hearing; we asked for inspection of the mine because it was held by the Illinois Tu pany by forcible possession. We also made a motion that cellor accompany us on that tour of inspection for the purpo whether it was the same vein.

Q. Who was the chancellor?—A. Judge McKean, former toga, N. Y.

Q. The United States judge?—A. The United States ju justice of the Utah territorial court, the only court we had th *Poland* and myself, as counsel for the Emma Silver Mining

Limited,) London, and the counsel on the other side, with six or eight or ten experts on both sides, went up and made a thorough examination of the mine.

Q. Was Mr. Stewart with you?—A. Mr. Stewart was along. On that examination I would not have recognized the property. The lower part of the mine, and, in fact, all that I could see, when I bought it, (and the last time I had seen it was about a year or eleven months before that,) had been flooded, the timbers had caved in, and you could see nothing to speak of of the old workings but those on the higher ground, and the new explorations were all exposed to view, and it made a very great impression upon me. In other words, it showed more ore in sight, by four or five times, without taking the measurement, than was shown in sight when I purchased the mine over a year before. It was over three times the length of those explorations, and it was more than double its depth in the explorations, and all the way in ore.

The depth, (though I may say that is only from hearsay,) the depth in explorations (the lowest shaft was below the tunnel-level, of course) was filled with water, and I could not see it. That I only get from hearsay; I never have seen that part of it since. After the examination it was just as clear that it was the same vein as it is that this table continues from this end to the other. Judge McKean went along with the foreman and I held the lantern, and the foreman picked the ore right up in the tunnel, right in the bottom of the archway, for the whole length of it, from the old workings clear through, and that settled the case in his mind. They gave it up on that point, pretty much; it was perfectly evident that was the same vein. So the only question that made any argument before the court was the legal question whether we were confined to the surface-ground. When we argued the question, we brought a suit at law for damages (trespass) and this suit for injunction *ad interim*. The injunction was granted, and we entered into possession of the mine. At that time I had not ordered to be sold a share of the stock on hand that I had left in London, over half a million dollars in gold. It was about three-quarters of a million, when I left, because it was selling at 28 or 30 then, and I could have sold it all at that figure in an hour, but I had not sold a share. On that notification the market broke down in London. This must have been about the 15th of June.

By Mr. HEWITT:

Q. What do you mean was on the 15th of June?—A. That this news of the cave got over there.

Q. The news got there, but the information is that the cave took place on the 6th day of June; that is the testimony from varied sources; but it is also testified that, for some reason or other, the news was not received upon the other side.—A. I was coming to that. I gave that information, as I told you. When I gave the information that it was all false, I gave it without any news from the mine to give it on, but I supposed that I would certainly have heard it from some source if it was true. Then, besides that, the year before and during the same month of June, I had spent three or four days in the mine, and you could not have wet your socks by going through the whole mine in your stocking-feet; but this year it seems they had, without my knowledge, dug a ditch up above, and the snow in melting had run into that ditch, and that led into an old shaft that the openings up had exposed, and the water ran down in a perfect sluice-stream from above. But the year before, when

the snow was melting, I was in the mine in June, and, as I said, you might have died of thirst for want of a drop of water in the mine, down to the lowest working. So I had no hesitation in pronouncing the report false; but I put myself upon inquiry, and the next morning I gave the true information.

Q. How do you account for the delay from the 7th of June to that time?—A. I can only account for it on Mr. Willyams's story and Mr. Hussey's. They will be both on the stand, and I only speak from hearsay; but Mr. Willyams said that they came down from Salt Lake City, which is about twenty-eight miles from the mine, to see Mr. Hussey and report to him. Mr. Hussey was the resident manager at Salt Lake. Mr. Willyams had orders to report everything to Mr. Hussey, and to receive orders from him. He came down and reported the condition of the mine; that it was filled with water, and was likely to cave in, and that the Illinois Tunnel Company were taking advantage above and breaking into the mine. Then the question arose as to what should be done. That, of course, raised a litigation, which I had undertaken with the company to take charge of. Mr. Willyams was sent back, I believe, and made a second report to Mr. Hussey, at Salt Lake, that the Illinois party were in and that the mine had caved in in the working; and then Mr. Hussey started to come on here, and he arrived at my office on the same day on which I received the letter from Mr. Willyams, and the day on which Mr. Stanley arrived. Mr. Hussey came to the office and Mr. Stanley came to the office all on the same day.

Q. Can you fix the date when they all came in?—A. I have nothing in particular by which I could fix the date, unless I could find from the telegraph-office the time when I telegraphed. That would fix it.

Mr. CHITTENDEN. I may say, Mr. Hewitt, that we made application to the telegraph-office for all these telegrams that have ever passed, and I have here with me an answer, sworn to by the proper officer of the company, that all the telegrams covering this time down to 1873 have been destroyed.

The WITNESS. I have told you all I know of my own knowledge as to why the information was not communicated to me. I was still a director, and Mr. Hussey was ordered to communicate freely with me in a case of importance. Mr. Hussey came on himself and Mr. Willyams wrote me a letter. The statement they made was that they did not want to send it across the wires, but that is all I know of it. I started for Salt Lake.

Q. Did you give any orders to sell stock in London at that time?—A. No, sir; not a share, and I did not sell a share of mine; but Mr. Gager, who will also be a witness here, and who is a responsible New York merchant, an importer and manufacturer of china——

Mr. HEWITT. I know who he is.

The WITNESS. Mr. Gager sent three or four cables to me. I did not answer his first, as I could have done, but I supposed that my answer to Mr. Anderson would be received by him. I thought that he would get my answer to Mr. Anderson on the next morning, stating that there was a cave, and therefore I answered none of his cables. He telegraphed me one or two more, and as he could hear nothing from me he sold some of my shares on his own responsibility—got frightened—at an average of about thirteen or sixteen pounds, and I will not undertake to say which; he has got the exact account. He sold 1,600 shares of my stock on his own responsibility.

Q. That is 1,600 out of the 4,500?—A. Out of the 5,400.

Q. That was all sold up at that time?—A. That was all sold up at nat time.

Q. Did you telegraph to General Schenck at that time?—A. No, sir; did not telegraph to any one, except Mr. Anderson. I sent only those wo to him; the first stating that it was a lie, and the second on the ext morning, saying that I had learned that it was true; and I started mmediately to Salt Lake to look after the interests of the company. No other telegram was sent by me, or by anybody by my direction, to any one on the other side.

Q. I think General Schenck testified that he received a telegram rom you.

Mr. CHITTENDEN. That was later.

The WITNESS. That was later; and I will say right here that I never ent him one in my life. That can be explained.

By Mr. CHITTENDEN:

Q. State about the 1,600 shares.—A. Mr. Gager sold 1,600 shares, and hen I arrived in Salt Lake City his cablegrams, two or three of them, hat had been sent to me in New York, were forwarded by my clerk and gent in New York to me. I found these two or three cables, in which he said: "I cannot get any answer; I must act on my own responsibility." And, finally, one that was sent from London on the very day f my arrival, stating that he had sold 1,600 shares, at an average of ither 13 or 16. He has got the exact account. As soon as I had made n examination of the mine, and procured the injunction, I cabled over o Mr. Gager to buy 2,000 shares for me. This cablegram I sent from alt Lake after examining the mine.

By Mr. PHELPS:

Q. Did he buy them?—A. I was going to say, he cabled me back, "I ave bought 400 at 19. What is your limit?" I answered, "Fill the rder at the market and purchase 5,000 shares at par."

Q. Did you increase the quantity then?—A. Yes, I increased it to 000 shares, if they could be bought at par. I told them to fill the order r 2,000 at the market price, even if above par; but to increase to 5,000 they could be bought at par or below it, of course. He could not get em at par after that, and he filled the order and ran it to 2,035 ares.

By Mr. CHITTENDEN:

Q. What was the cost of buying those 2,035 shares back?—A. I lost that operation over $40,000.

By Mr. PHELPS:

Q. You mean by selling the 1,600 shares and by buying the 2,035 ck?—A. Yes. Then I sat down and wrote to Mr. Anderson, as I was duty bound, the full history of my visit in regard to the legal question, the question raised before the chancellor, about our visit to the ine, who visited it, what the nature of the testimony was, and that the it at law would come on in October, and that I would attend to that. then went on with a description of the mine, telling him that I regretted to hear (as I had heard from Mr. Gager's cable) that there had en a break in the market, and that parties in London had sacrificed eir shares; that the mine, to me, looked worth four times as much as did the last time I had seen it, when I left in July, 1871; and I said

to him, "If the shareholders are frightened, I will now purchase the mine at $5,000,000, which I sold it at, and will allow the shar ers to keep the dividends which they have received." That lette addressed to the chairman in June, 1872—a year after I sold the And I did purchase $200,000 worth of the stock, and paid for it i Up to that time, of course, the dividends had been uniform—one half per cent. per month. Now I will give a series of matters whi answer the question of the chairman, which he put to me the oth On the 12th April, 1873, which was nearly a year after that, I wrote to the directors, complaining as to my treatment, to which was o sale of the shares. I did sell them in consequence, not of a want in the mine, but because there were continual suspicions of the A parties. After we got an injunction and had everything ri Stanley showed me a telegram which he had received, by a k Mr. Anderson, which was to this effect: "We cannot get any news other side. I doubt Park even. Go yourself to the mine a what the facts are." Mr. Stanley showed me that dispatch. V were there a Mr. Abernethy, I think, was brought in one day on senseless from a sun-stroke, which he had received in Ne After the train left Chicago, a lady had taken care of him, and that he was destined for Salt Lake, she had taken charge of hi was brought there. From examination of the papers in his pocke found that he had letters to me and letters to Mr. Hussey, as m and letters to Mr. Williams, the superintendent. Some one c told me that there was a sick man in the hotel, who had eviden about the Emma Mine. I went and called a physician and removed to Mr. Hussey's house, and in two or three days he communicated the result by cable. I believe that he was a n one of the new directors who had beeen elected after I left. After Mr. Stanley felt curious to know what he had in his box, and h the box, although I did not think it proper to do so. But he that there might be something in it which we ought to look af much as it was evident that Mr. Abernethy had been sent out ness connected with the mine. He found a letter of inst in the box left by this young man, in which Mr. Ande him that he doubted very much everybody; that it seemed Lyon was able to get information of the cave, and that t holders suffered from not having that information, and that pany itself was not able to get any information. It directe even to talk to Mr. Park, but to pass under an assumed nam go up to the mine and see if he could not get into the m out license or permit to go in, and, if so, make his own tion without making himself known; and if not, then h present this letter of introduction to the superintendent of the questing him to admit him, but still to keep an assumed nam letter of introduction was written in an assumed name. Mr. St very indignant that, after he had been telegraphed to to come and had come out, they should have sent this man out, show they were suspicious even of him. Mrs. Stanley, too, was hig nant, and she thought that I ought to be very indignant. I that I thought they ought not to suspect any of us, but that and they ought not to be blamed for it, but that I should perform my duty. Mr. Stanley was so indignant that he tool next day and left the city, not staying even to make any repor he did afterward make a report, and a very favorable report, mine. He would not stay there, though I tried to get him to

would not even meet Mr. Anderson, who had come over here himself before Stanley went back, and they did not meet in this country. Afterward, I believe, they were partially reconciled. Here is Stanley's report, dated August 25, 1872:

To EMMA MINE, *London:*

Twenty-fourth, found water below eighth floor, and decreasing; examined new explorations. Amount of ore exposed immense; averages eighty ounces. New shaft in full work; tunnel circumnavigating cave on track-floor completed; rail laid ready for delivering first-class ore in seven days; all working most zealously. Cañon road very bad; large force repairing by subscription. By comparing with Liverpool prices find we can save thirty dollars gold on first-class ore by selling here. Strongly advise it.

STANLEY.

That was in August, and he sent a dispatch after that in September, in which he ordered stock to be purchased for himself, notwithstanding his indignation at the way he had been treated, and he advised his friends to purchase stock. He showed me a letter in which he did so, but he did not send it till he had communicated to the company.

By Mr. PHELPS:

Q. Is there more than Stanley's report in the paper from which you have been reading?—A. Yes; there are other matters in it. It is a circular to the directors containing a letter from Mr. Hussey, &c.

By Mr. HEWITT:

Q. Does it contain any letter from Mr. Park?—A. It contains a letter from Mr. Park from Bennington, dated July 24, 1872.

The WITNESS. That was written after our return from this visit to San Francisco and before Mr. Stanley's dispatch. It gives the history of my visit and what I found there.

[The paper was ordered to be put in evidence, and is appended to this day's testimony, marked "Exhibit C."]

The WITNESS. I wrote out this letter, offering to buy this mine back, and when I made that offer I was in earnest. I went to Mr. Hussey, president of the First National Bank at Utah, and asked him if he would join me in making a proposition to purchase the whole mine back at $5,000,000. That was our offer—that I would purchase the mine back as it stood, leaving the stockholders to keep the dividends which they had received, (then aggregating nine per cent.,) at $5,000,000. From the time I went out there I received letters continually from my agent, Mr. Gager, stating that I was entirely misunderstood in England; that they charged me with withholding information as to the cave in order that I might profit by my own knowledge by selling short, and he said, "It seems that you are the only party who suffered from not having that information;" for I sold the shares when I did not wish to sell them and bought them back at a great deal more than I sold them for. He thought that under these peculiar circumstances, as he could not reach me, he would act on his own responsibility, and he did so, so that when I made this offer to buy the mine back again at $5,000,000 we could have made that purchase. That is, we had the ability to do so. Mr. Hussey and others said that they would join me in making it, because, judging from appearances, if the mine was worth half a million pounds when it was put upon the English market it was worth a million pounds when I saw it in June and July, 1872. Mr. Gager advised me, notwithstanding the shares that I had bought again after he got a letter from me about the cave, and how the mine looked, to sell out, saying that he would not be associated with a party that was continually mistrusting me, and that I was the only person

suffering, while I was giving up my time and energy in protecting them and their interests. I paid no attention to this advice. Before I left London to come home, I invited the directors to come over and look at the mine, and said that I would go out there with them at any time, without any forewarning or foreknowledge of it. In September, 1872, I received a card from Mr. Anderson, from the Brevoort House. I called upon him at the Brevoort House, and we talked over various matters about our visit out there in June and July, and about the state of the litigation. He said that he was going to make a request of me that he hoped I would not take offense at. He said, "There has been so much said about the Emma Mine and about the former inspections of it, even by our English directors, that I want to go out to that mine alone. You very kindly offered to go out with me, and I should like your company, but they say that, in the first place, Professor Silliman, when he went out, was sandwiched between Stewart and Williams; and when Brydges-Willyams went out he was sandwiched between Stewart and Professor Silliman; and when Stanley went out he was sandwiched between you and some one else. Now," said he, "I want to go out and make a report which the English public will believe, but I must go alone, and I want to go in my own way." I said to him, "If I can do you any good out there, or if the case should come to trial, telegraph to me and I will come out." But I was very glad to remain at home, as I had other business to attend to. He went out, and the first note I got from him was dated "Salt Lake, September 26." He had left New York immediately after my interview with him, which was, I think, on the 18th or 20th of September. The following is the note which I received from him:

WALKER HOUSE, SALT LAKE, *September* 26, 1872.

MY DEAR SIR: I have been through the mine, and am far more than satisfied with what I have seen. I think it is quite impossible for any one to go through without a full conviction that it is a mine of immense wealth, and that we are in possession of a splendid property. The only difficulty is the being allowed to hold it in peace. I suppose you are aware that the band of Californian robbers, who call themselves the "Emma Consolidated," with a nominal capital of $20,000,000, has taken up the Illinois claim, which makes our coming fight a more serious one. I would willingly settle, letting them off our claim for damages, if they would allow the injunction to be perpetual; but though that might have been done with the Illinois, it could not with the new parties. We are in for a severe fight, and you must come; but we will take care not to bring you unnecessarily.

The day is fixed for 9th; but if any change is to be made you will be informed as soon as possible.

I like old Williams very much, and wish we could keep him. I think the concern big enough to enable both father and son to earn their salaries. The most complete management staff in such a concern is an economy.

I have advised Williams to keep Pascoe.

Both your advances and Hussey's will be paid very shortly; and I think we shall have no further trouble about finance.

I am afraid $40,000 a week was an exceptional thing. We won't average that, but we are selling every ton here, to-day 220, at $67 to $71. We cannot produce 100 tons a day. There are always some little difficulties. Last week we had 520, which was our highest. This will be down again on account of a strike.

It would be well now to inform Mr. Lansing that, as General Baxter has resigned, and we have discontinued shipping ore, we will not require his services. Of course we pay General Baxter's salary up to the time of his resignation. Mr. Lansing has never been in our employment.

I wanted to go to California, but Stewart will not let me go. I hardly see why, but of course Emma business must have preference.

I shall never take the management out of Hussey's hands if I can help it. We could not have a better man for us here.

I need hardly say it is extremely gratifying to me to find everything as I have found it. We paid a large price, but we certainly got a good article, if we can only keep it *quietly*.

Yours, faithfully,

GEORGE ANDERSON.

:he WITNESS. That, you see, was written the year after the purchase. :re is a letter which he wrote to his own board in London. It is ted 25th September. It is published in a circular issued on the 18th :tober, 1872:

Emma Silver Mining Company, Limited.

VICTORIA BUILDINGS, QUEEN VICTORIA STREET, E. C.,
London, 18th October, 1872.

The directors, having received the following account from Mr. Anderson of his visit the mine, have much pleasure in circulating it among the shareholders.
By order.

W. H. TOOKE, *Secretary.*

SALT LAKE CITY, UTAH,
25th September, 1872.

. H. TOOKE, Esq.:

MY DEAR SIR: On my return from a two-days' visit to the mine I sent you a short legram, but I would like to give those directors who have not been here a full account the splendid property we possess in the "Emma."

We are not likely to have any interruption of traffic in the cañon till the breaking- of the snow in April or May next; and even then, with what has been done, the terruption is not likely to be so long as last spring. I do not think it would be pru- nt for us to go into any large scheme either for road, railway, or tramway, but we ould promise any reasonable support to any traffic company that will undertake ch construction; and I am satisfied that the time is not distant when this cause of ouble will cease, and a large saving in haulage will be effected.

The Emma Hill appears to be entirely of hard limestone, showing, so far as I saw, trace of organic remains, and in mining phrase called "country rock."

There is a considerable range of buildings attached to the Emma, as the workmen l sleep and board on the premises. The buildings are of wood, and are added to as tension is required, and at little expense. The machinery for hoisting and pumping insufficient for so large a concern. The former has become so by the great increase output; the latter, because no pumping had ever been required till the spring. ese defects will soon be remedied.

The mine is at present worked from two outlets. One is a horse whim-shaft sunk m above into that part of the workings seized by the Illinois people; the other is main tunnel, which formerly ran straight into the great chamber, and after the 'e it was necessary to drive a branch tunnel through the limestone, and thus get nd the cave to the working beyond, in order to get out ore by this tunnel. It is y since this severe piece of work has been completed that the marked increase has en place in the output. I entered the mine at the horse whim-shaft to the upper rkings, and went most carefully through each successive floor, examining the walls ery where, and particularly in the portion where the Illinois experts swore there was reak in the vein; a more palpable falsehood could hardly have been uttered; and lge McKean having himself examined the mine, was not deceived by it. Now the or below is open, and there the connection is so plainly all through in splendid ore t I doubt if an expert could be found to support the theory of a separate vein. The antity of ore everywhere seems immense. I did not attempt any measurements, and n if I could it appears unnecessary. It is so easily worked that a man with a pick take down eight or ten tons a day, and is so heavy that 7 cubic feet weigh a ton. us, taking out one hundred or even a thousand tons makes but a small impression on what is now in sight.

After examining the floor above the track-floor or main tunnel-level, I went down to see below. The great chamber is inaccessible since the cave. Looking in, you can nothing but an inextricable web of smashed-up timbers, riven and split—10-inch nbers broken like reeds by the tremendous crush. Still, as more pressing work gets ne, this also will be tackled, and the ore there will be got at eventually.

The inspection of the floors below was quite as gratifying as that of the upper— 'ge quantities of ore everywhere. The deep exploration-shaft, with level-drift at the ttom, still contains water, and has not been cleared since the inundation. This is the ace where the ore sampled is very rich, and where the mine seemed most promising at e time of Mr. Willyams's visit. I could not reach it, but expect to do so in a few weeks, hen further explorations will be made of this portion. I should have remarked on e timbering of the mine. Even before the cave it seemed to have been very strong, it the soaked ore washed away from above and below the uprights, and on losing

their position they crashed; but what has been done since is both stronger and better supported, and I think safe against similar accident. We have a large supply of timber in advance of our needs. I think it would be impossible for any one to go through the mine without coming away convinced that we are really possessed of a splendid property, and that, large as the purchase-price was, it will be abundantly recouped. There have been difficulties and delays unforeseen and most vexatious. We may have to encounter more of these, for places so situated are liable to them. It stands 9,200 feet above the level of the sea, in a region desolate and sparsely peopled, difficult of access, and very far from London. It could not be managed at all from London without most efficient co-operation here and at the mine; but that I am satisfied we have in an eminent degree, and the other difficulties will grow less as the country becomes developed, population increased, and facilities of transport improved. There could be no better proof of this than the fact that within the past few weeks a new local sale for the ore has sprung up, and seems likely to develop into a flourishing and permanent trade, relieving us at once of a large part of the cost of transporting our ores to Liverpool, and of the alternative proposition of erecting and conducting smelting-works here. I consider this development of smelting, as a local industry, one of the most auspicious features in our prospects.

Our principal difficulty I have not yet touched upon—it is the litigation difficulty. Blackmailing has become so established a custom here that it seems a necessary accompaniment of a good mine. Every mine of any value here has had to encounter it, and as the Emma ranks in public estimation as *the* mine of the district, it has excited the rapacity of the blackmailers in an unusual degree. Some mines buy them off, others fight them. We have taken the latter course, and I have little doubt will succeed; but there is a very strong organization of them, and they may try other suits against us, and keep us in hot water for some time. I only hope the shareholders will bear it patiently, and with confidence in the result, for our title is undoubtedly sound and beyond any *just* objection; and in Senator Stewart and Mr. Park we have admittedly the very best legal assistance, and they watch our interests with personal as well as professional zeal. Of Mr. Hussey, president of the First National Bank, our resident manager here, I cannot speak too highly. We could not possibly be in better hands, and I sincerely hope nothing will deprive the company of his services. Mr. Smith, his able assistant, is equally zealous, and watches the expenditure, manages the sales, and keeps the accounts with a regularity and precision that could not be exceeded. Altogether I have been much gratified with everything I have seen connected with the company, "blackmailing" alone excepted, and that I have no doubt we shall fight through. Public feeling is decidedly with us; they want an accession of English capital to develop the remarkable resources of this Territory, and they see that if our company was heavily robbed by blackmailers, English capital would shun Utah for the future.

I remain, my dear sir, yours, faithfully,

GEORGE ANDERSON.

By Mr. PHELPS:

Q. State whether you went out and tried that suit at law?—A. At Mr. Anderson's request I went out and tried the case before the court and jury. I believe Mr. Stewart was with me when I got there, but he was called away upon business, and he left me to try the case alone. We had three or four days' trial, and we got a verdict for $5,000 for detention in our work only. Mr. Anderson was there with me. While we were waiting for the trial to come on, a day was fixed on which Mr. Anderson and Mr. Stewart and myself should go on a visit to the mine. Mr. Anderson had been to San Francisco and had just arrived back at Salt Lake. I believe that we both arrived at Salt Lake on the same day. I asked him, jokingly, if he had measured the mine when he was up there, and he said no. I said, "You told me you were going to measure every foot of it." Said he, "What is the use of talking about measuring? There is ore everywhere. Those new developments pass description." We had arranged, as I say, to go to the mine on a certain day, but the day before we were to go I had an attack of diphtheria, and that was the worst weather for such a disease, on account of the snow that was on the ground. So they left me behind and went by themselves, and I did not see the mine while I was there in October. But from their description of it and from my own belief about it, I then telegraphed an order to Mr. Gage to buy 2,000 shares more of the stock. That was in October or November, 1872. Mr. Anderson was with me and saw my cable dispatch.

was the value of the stock?—A. Some £22 or £23. I think
'hat was over a year after the sale, and after five examina-
of which had been made by English directors, and reports
em, and that, too, when I had not the same means of knowl-
they had. I took my report from Mr. Anderson and Mr.
making my last purchase. They told me how it was, and I
are it with the condition it was in the July previous, when I
I asked Mr. Anderson if he thought there was anything
ay ordering 2,000 shares to be bought. He said no, and
hed I would do so, as it would stiffen up the market. So I
)0 shares to be bought at the market-price. But Mr. Gager
l me that he had closed up all his business, and was coming
had told him in the mean time to close out my stock and
That was subsequent to the first order to buy, when Mr.
s there; but it was prior to my last telegram to buy 2,000

Ir. HEWITT:

d closed out your stock?—A. He had.
at when you bought the last 2,000 shares you were not a
?—A. I may have had some two or three hundred shares of
but my stock was substantially all sold out. I received a
om Mr. Gager, from Liverpool, saying that he had got my
l cleared up, and that he was at Liverpool with his wife, with
packed and his tickets purchased, and asking me to let him
I telegraphed to him, "Go back to London and buy 2,000
mma."
at date were you entirely out of the stock?—A. I was out
of it, I think, in November, 1872.
n the time that you got out, prior to the last purchase, which
s in October.—A. The last of October or first of November.
to that, were you out of stock?—A. I think my last stock
up prior to that, on the 23d of October, as Mr. Gager in-

you bought in again, under those circumstances?—A. Yes.
closed out again, when?—A. In the last of November, 1872.
ght in 1,100 shares more before I sold that out. I bought
s in July; then I bought 2,000 in October, when Anderson
Lake, and then I bought 1,100 shares while Anderson was
his 1,100 and the 2,000 were closed out in November.

Ir. PHELPS:

1 got all out in November, 1872?—A. Yes, except my quali-
res.

ne CHAIRMAN:

hat date did the English public begin to lose their confi-
e stock?—A. About the time that I am speaking of.
t before or after you got out entirely?—A. Not until some
-two or three months after, and that occurred from this:
on was there in October and November. At the time I
urchase he wanted to know of me if I would advance for
ends for October, November, December, and January, until
and was realized upon. Having the ore on hand, I thought
ke the advance, so I remitted to London £20,000 at one
company, and £16,000 at another time, and then Mr. Hus-
d to me, from Salt Lake, the proceeds of those ores, in

bills, which he had received for them, and which I credited against those advances that I had made. Then I offered to advance for the January dividend, as there was enough ore on hand to pay for it, but the company decided that they would not receive any more money, or declare dividends, until they had better assurance that the dividends had been taken from the mine—that they had been earned.

By Mr. HEWITT:

Q. When did you make these advances?—A. The principal advances were made in October, November, and December. I think I made the first advance to pay the October dividend, which would really make it come in the last of September, but the largest made was in November and December.

By the CHAIRMAN:

Q. Then the dividends were not earned, but were advanced by you? —A. Mr. Anderson said that they were earned, and I thought that they were earned. They had got the ore out for the dividends, but it had not been converted into money.

By Mr. HEWITT:

Q. At what price did you close out your stock?—A. I think the last of it was closed out at about £23.

By the CHAIRMAN:

Q. How long after you closed out did the stock begin to fall?—A. It began to fall just as soon as they stopped paying the dividends. They passed the first of January dividend, and as soon as the public learned that it had been passed the stock began to fall rapidly. My recollection of the largest fall is, that it was in the latter part of December or early in January, when it was ascertained that the January dividend was not to be paid, or after it was passed.

Mr. PHELPS. Here is a report by Mr. George Anderson, chairman of the company, to the stockholders, dated December 12, 1872.

[The report was read and put in evidence, and is appended to this day's testimony, marked "Exhibit D."]

Mr. CHITTENDEN. I desire to put in evidence a letter from Mr. Park to the Mining World, dated April 12, 1873, the point about that being that Mr. Park's statement has never been contradicted, that he offered to purchase the whole mine at $5,000,000.

[The letter was put in evidence, and is appended to this day's testimony, marked "Exhibit E."]

Adjourned.

EXHIBIT A.

FIRST SHAREHOLDERS' MEETING, MARCH 7, 1872.

The Emma Silver Mining Company, Limited.

Minutes of proceedings at the first ordinary meeting, held at Cannon Street Hotel on Thursday, March 7, 1872. George Anderson, esq., M. P., in the chair.

The SECRETARY read the notice convening the meeting.

The CHAIRMAN said: Gentlemen, as you are aware, this is the first statutory meeting of the Emma Silver Mining Company, which requires by the statutes to be held within four months of the formation of the company. It is not usual on such occasions for the directors to hand in any formal report, but I propose, with your leave, to give a very short statement of the general position and prospects of the company. Now I believe, gentlemen, it is not often the good fortune of the chairman of a new company,

hin four months of the formation of that company, to be able to make so highly isfactory a statement to the share-holders as I am able to do to-day (cheers.) It is ; four months since the company was formed; since we brought out this prospectus; d I may say that the directors, before venturing to issue this prospectus to the pub- at all, were extremely careful in investigating it to the utmost. I believe that ere was not one of those gentlemen who were proposed as directors who did not ok upon the statements in the original prospectus with extreme suspicion. They ap- ared to be far too glowing to be credible, and for that very reason we were far more rticular than we should otherwise have been in testing them in every possible ay We were each individual convinced by the irrepressible logic of facts which uld not be disputed. We found it absolutely certain that the past history of the ine was beyond question. I myself saw all the accounts of sales of the ore that had en made. I went to the bankers who had remitted the proceeds, and I made it eyond all possible doubt that the past history was true.

What remained to consider was whether that past history was likely to continue the future. Now, of course, we were met almost immediately by a great many adverse atements. I shall touch on one or two of these only. The first, I think, was that e title was not good. Now as regards the title, it was specially made the business of e trustees to satisfy themselves as to that before they gave up the money. They ok very great pains to satisfy themselves, and I may say that the only preliminary xpense connected with this company is the expense which fell upon it in making xtra investigations as to the validity or security of the title. Those were perfectly atisfactory, and the money was paid; but over and above our having satisfied our- elves, the vendors voluntarily came forward and offered us a guarantee against all ontingencies of litigation, provided we would allow them to manage the only litiga- ion that had been threatened, which was a black-mail suit for a small sum in Cali- ornia, which I believe is not likely to come to anything. The next point was the mount we had paid for the mine. We were told it was impossible any mine could be orth £1,000,000. Well, the price one pays for a thing, if it is too dear or not, really epends upon what one gets in return. Take a London house, for instance; you may ay a house for £1,000 in one street and pay £20,000 for a house in the next street, but does not follow that the house for which you gave £20,000 is too dear, if you got alue for it. If any one looks at the prospectus he will see at once that there was not million of speculative purchase, because we had absolutely certified on the best uthority. We were getting property known to exist to the amount of nearly 600,000; therefore, there was only £400,000 of it that was speculative, and over and bove that £600,000 known to exist by measurement, it was known a great deal more tisted that was not measured, and not taken into account. As regards those adverse atements, perhaps no company ever was so persistently set upon by the bears of the ock-exchange as this company has been. There are a parcel of stock-brokers, not e most respectable of the body, who are in the habit of issuing private newspapers. hey can with ease pay the statutory fee for getting a list of shareholders of any com- any, whatever their practice is, to pay the statutory fee and get a list of shareholders, d immediately concoct a slander in their private newspaper, and circulate it among l the shareholders, who expect they are receiving the opinion of an organ of public pinion entitled to some weight.

I think it is very likely our shareholders have been very much surprised at the dis- terested generosity that supplied them with so many newspapers gratis. (Laughter nd cheers.) It is all done for a purpose. Their purpose is to run down our mine in rder to run up some other mine, or to run down our shares in the market by frighten- g innocent shareholders into throwing away their property in order that they may, y buying at a low price, fulfill sales they had made at a higher price of stock they did ot possess. That is the object of it, and those who understand these things would ot be the least frightened by these reports, but the unsuspecting shareholders, spread ver the length and breadth of this country, have, I am sorry to say, been very much rightened by them. Well, now, gentlemen, I will touch a little more on the prospectus. think I may fairly say that every one of the statements made in this prospectus is ntirely and completely verified to the utmost. The principal statement, and the one think you would look most to, was a statement of the estimate of property we ex- ected to have in our possession by the end of February. It amounted to £181,300. hat very sanguine estimate is very much exceeded. (Cheers.) I do not think there a any other statement in that prospectus that cannot be equally verified, and the only ne point on which they fall short is that the proprietors expected to have that money n London at the end of February, whereas, on account of the unprecedented snow- torms on the Pacific Railway, by which it was blocked up for many weeks, it was mpossible to get forward the ore. Therefore we have the ore on the way in the place f having got it at Liverpool or sold. We have a good deal arrived, and all that has rrived is sold as fast as it has arrived. All along, gentlemen, the vendors were ex- remely urgent that we should send over an English director, in order that the English

fessor Silliman made report show large quantities of ore not then in sight. The
been shipped from Salt Lake City to our company, and sold here by the comp
our account, 3,600 tons of first-class ore. There are 1,000 tons of ore of first clas
mine and railroad ready for shipment.

The quality of ore being shipped and being taken out of the mine is about th
as that heretofore shipped by former owners. As near as can be ascertained, th
tity and quality of the second-class ore is fully equal to the estimate and mor
expenses of working the mine are not in excess of the representations made. T
being taken out now forty tons a day, which can be largely increased if desired.
is sufficient timber near the mine to timber the mine in future if desired. Th
pany can produce the quantity of ore estimated in the prospectus. We do not fi
thing that does not fully come up to the representations of the vendors. We ar
fied the title is perfect to the mine. The wire-tramway, smelting-works, and
mines are under consideration. That is a telegram we received on Monday.
we have another: "Important development and discoveries just made in new
entirely confirming last report." (Cheers.) Now, gentlemen, these telegrams,
say, will require a few words of explanation, in order to give you their money
cation. It is stated that 3,600 tons of first-class ore had been either sent off fr
mine, or had been sold there for our accounts.

A SHAREHOLDER. Since the commencement?

The CHAIRMAN. Since the commencement. We know that the quantity so
there was between 800 and 1,000 tons, for which we have been paid £28,000
other 3,600 tons has partly arrived; 1,242 tons has arrived in Liverpool and bee
and the remainder is on the railway at various places. Most of it was blocked up
snow-storms. In addition, there is 1,000 tons lying at the mine ready to be taken
Well, that is 4,600 tons, which, taken at the lowest estimate of £28 per ton net,
is somewhat under what we have realized for all that has been sold, amou
£128,800.

We got, as you are aware from the prospectus, from the vendors the bal
their old sales just made at the time of the purchase, amounting to £46
cash. We have of second-class ore lying at the mine, which we do not wish at
to incur the expense of sending over to this country, what was estimated in th
spectus at £65,000, and which you will observe from this telegram is now st
be worth all that and more. These three items, the £128,000, the £46,000, a
£65,000 amount to £240,000. We have, therefore, gentlemen, in the first four
of our work, with what we got in the purchase, taken from the mine very n
quarter of a million worth of stuff. (Cheers.) And we have already paid four m
dividends amounting to £57,000. We have, therefore, left £183,000 to pay futur
dends, because there is no difficulty whatever in realizing this ore; as soon as it
over we get the money for it immediately. We therefore see our way to a
eleven months of 18 per cent. dividends, nearly twelve months. But you wi

The SHAREHOLDER. The second-class ore has increased in value.

The CHAIRMAN. It was valued at £64,000 in the prospectus, and the telegram states is worth that and more. It does not say how much more. I have no doubt, when 'e get a full report in writing from Mr. Willyams and Professor Silliman, you will not nly be told how much there is, but you will get something like measurements of the ew developments, so that we may estimate the amount of new ore added to our reerves, but at present I am not able to say anything on that. It is suggested to me ıat I should explain. This telegram is sent in key. A number of dictionary words ere selected, with a long sentence attached to each. Mr. Willyams got one copy of ıat, and we retained the other. By that means he was able to send us a much longer ılegram at a moderate expense, and privately, than he could otherwise have done. ı that key there were a great many alternative expressions, good, very good, and iddling; in every case, the very best that was in his power to select is the one that ıs been taken, and in several cases he has strengthened that, such as in the one about ıe second-class ore, when he adds to the telegram "and more." Now, gentlemen, I do ɔt think I have much more to say to you, but it is fair I should say, before I sit down, ıat, in all matters, so far as we are able to judge, and we think we are fully able to ıdge, the vendors have acted toward us in the most fair and straightforward manner. 'e have found nothing that could, in the very slightest degree, detract from that ɔinion. We would even wish to say that they have acted liberally toward us, beyond 'hat was absolutely required of them. It is only fair to them that we shouldsay so; ıd I may add if there is any point I have omitted to touch upon, there are other irectors here who will be happy to supplement it, and we will be very glad to answer ny questions put to us. In the mean time, I think I may congratulate you on having ɔquired one of the most remarkable mining properties in the whole world. (Cheers.)

Mr. RUBERRY read from a list some names in an inaudible tone, and asked what ıterest they had in the concern.

The CHAIRMAN. It is quite impossible to hear or take down the names as you repeat ıem.

Mr. RUBERRY. Were they qualified? Was Mr. Baxter or Mr. Stewart? Have they ver been to a board meeting? Have they ever received their fees? Were they qualied on the 30th of January?

The CHAIRMAN. May I ask how many shares you have got?

Mr. RUBERRY. What is that to you? I am interested in the company.

The CHAIRMAN. This is Mr. Ruberry who holds one share, gentlemen. [Groans.]

Mr. RUBERRY. I will say what I have to say. [Interruption, and cries of "sit down!"] want to know what Mr. Albert Grant had to do in this business, how much he reeived out of it, did he have £100,000 or not? It is the business of every shareholder. Cries of "sit down!"] Do not try to halloo me down. I won't sit down.

The CHAIRMAN. This gentleman is the holder of one share, and he has filed a bill gainst the vendors, and I think he is not entitled to much consideration. He is a hareholder, and has held a share for one day.

Mr. RUBERRY. For two days. [Groans.]

The CHAIRMAN. We do not wish to shirk answering any question, and it is well the ıeeting should hear questions even from this sort of shareholder.

Mr. PARK. I hope that every gentleman will be ready to ask questions. and as long ı they are asked civilly, as these have been asked, [a laugh,] they will be answered; hether the shareholder holds one share or a thousand, he should be answered. That my view. We will answer every question that is asked, and I, so far as I am conrned as representing the vendors, there is no question that can be asked by this geneman, or any other gentleman, that I am not perfectly willing to answer, and the dictors, so far as I know, are ready to do the same. There is nothing in the property ıat requires them to conceal anything, and therefore let every one ask their questions ıd we will answer every one of them.

A SHAREHOLDER. Let him put his questions with propriety.

Mr. RUBERRY. Have Mr. Baxter and Mr. Stewart ever attended a meeting; and, if , how many? Have they received their fees, or have those fees been paid to any ırty on their behalf? What accounts have you got open at the Emma? Have you ɔt a director's fee-account open? I do not say posted. Have you a salary-account? ave you got a working-expenses account? Have you got a stationery-account? Laughter.] Have you a dividend-account? Have you a call-account? Have you a ɔposit-account? Have you any other accounts open in your books at all, except your ıpital-account, and bank-charges account, and the vendors' account? If so, what?

A SHAREHOLDER. Mr. Chairman, is this meeting to be made a vehicle for working a ıancery suit?

Mr. RUBERRY. I have no chancery suit against the Emma.

Mr. BOMPAS. I say that is not true. I say that you have commenced a chancery ıit.

Mr. RUBERRY. It is true.

Mr. BOMPAS. I beg to deny it.

Mr. RUBERRY. Then you are a liar. [Loud hisses, and cries of "Turn him out!"]

The CHAIRMAN. You must withdraw that statement. [Loud cries of "Turn him out!"] I must ask you to listen to Mr. Bompas for two minutes. Mr. Bompas, I will only say that this is mere impertinence on the part of Mr. Ruberry. He has filed a bill in chancery including Mr. Grant and the company, and I am now appearing and defending the suit on the part of the company, and I advise the directors not to listen to any questions on the part of Mr. Ruberry. It is an impertinence to the meeting, it is an insult to the board, and it is a perversion of justice, and I say, while matters are under litigation, no man has a right to come and put such questions to a meeting; and, if he does so, he ought not to be answered.

Mr. WHITEHEAD. I say Mr. Ruberry has no chancery suit against the company.

The CHAIRMAN. And the gentleman has only one share. [Hisses.]

Mr. WHITEHEAD. A suit might have been brought without the sanction of Mr. Ruberry; but your solicitor is mistaken. There is no chancery suit ever contemplated by him or by me. Of course, this is a mistake on the part of the solicitor.

Mr. BOMPAS. This company is part of the suit, and I am appearing on behalf of the company.

Mr. RUBERRY. I have never instructed any one to commence a suit.

Mr. BOMPAS. I do not wish to enter into a personal altercation with Mr. Ruberry; he admits there is litigation.

A SHAREHOLDER. He wishes to get us into litigation for the purpose of injuring us.

The CHAIRMAN. Gentlemen, I must put it to you whether you will listen any further to Mr. Ruberry or not. [Loud cries of "No!"]

Mr. RUBERRY. Will any shareholder who wants——

The CHAIRMAN. The meeting having decided they will not hear Mr. Ruberry any further, I must request him to sit down.

Mr. PARE. I think the meeting has come to rather a hasty conclusion. Either the matters Mr. Ruberry complains of, if they be complaints, are true or false. If they are true, we ought to know them; or, if they are false, we ought to know them. If Mr. Ruberry knows of anything wrong, I say let us hear it. I say let the directors make a clean breast of it; let us know how the property stands. I was very glad to hear the chairman state that there was nothing to conceal. I do not believe there is anything to conceal, and I say it is in the interest of our property that we should hear Mr. Ruberry. [Cries of "No!"] Come to what conclusion you will, but hear him, if for one or two minutes, and I say it will not advantage our property, whether as a holder of one share, if for an hour or a month, he stands up and says he has serious complaints to make of the directors, and you will not hear him. I will now address myself to one or two questions I have to ask the chairman. The questions of Mr. Ruberry were so commonplace and so comparatively unimportant, that I think the chairman might have answered every one of them. I take it for granted they might have been satisfactorily answered, and I think the chairman might assure us that all necessary accounts required by the act of Parliament for ordinary business are kept.

The CHAIRMAN. The auditors are here to answer any questions respecting the accounts.

Mr. PARE. I wanted to ask with respect to the title. You said the only preliminary expenses the company had been at was something respecting the title, and what I wanted to ask was this: Surely the vendors guaranteed us a perfect title; surely we have not paid over money with an insecure or shaky title, or one that is likely to be compromised; surely the directors have not parted with their money without getting a material guarantee from the vendors as to the title. You said the ores were being sold as they came forward to London. I take it for granted they are being sold at the price estimated in the prospectus.

The CHAIRMAN. A little better.

Mr. PARE. You have given us comforting intelligence from Mr. Brydges-Willyams. It was very satisfactory, but it might satisfy some parties who do not know exactly the qualifications of Mr. B. Williams if you were to state them, because a great deal depends on the qualifications of a gentleman going out to investigate a property of this character. My belief is, he is a Cornish man. It is a name well known in Cornwall; but if we could be assured by the chairman he has the necessary qualifications for investigating into a matter of this kind, it would be more re-assuring, because, I need not remind gentlemen, there are very great frauds committed in mines, and professional men are often greatly mistaken in their estimates for want of sufficient practical information, which practical information a man, who goes on such an investigation, ought to possess. You said within four months we had taken a quarter of a million of stuff out of the mines. I only wish to ask whether you are quite correct, or whether you did not mean that all the property belonging to the company in the shape of ore was worth that? I do not apprehend that you meant to say that a quarter of a million of stuff was taken out of the mine.

The CHAIRMAN. It is including what we got from the vendors. I was giving you a statement of what we had applicable to dividend.

Mr. PARK. That's what I thought, only you used the words "taken out of the mine." I do not think it desirable any attempt should be made to bolster this thing up. It is good or bad, and therefore I am sorry this meeting has come to the conclusion not to hear the questions of Mr. Ruberry.

A SHAREHOLDER. Would you inform me whether the working-people on the mines are Indians or Chinese?

Mr. PARK. They are mostly Mormons, being residents of Utah. The captains are generally Cornish miners.

Mr. SEDDON. I should like to know, if you could tell me, when the final transfer took place, and if anybody was sent over on behalf of the purchasers before the transfer took place? We know some one has gone over afterward. I think it important some one should have gone there first, for if you had sent some one at first we might have been re-assured, and some of the shareholders who have been frightened out of their shares might have kept them.

Mr. GLEN. I should like to know when you applied to the committee of the stock-exchange for a settlement, why you did not apply for a quotation; the interest of the shareholders would have been consulted generally if that course had been adopted. I would also remark that very feature has been lately handled on the part of the abusers of the mine, and it has given a degree of coloring to their statement.

The CHAIRMAN. The questions put by Mr. Ruberry about the books of the company, I thought, were all of such an exceedingly frivolous character that they were hardly worth answering. The auditors of the company are most respectable men, they are Messrs. Kemp and Ford, and they took the charge of arranging all our books, and have only within a few days completed and handed them over to us. I have no reason to doubt from the high character of the auditors that the books are in perfect order, and all the necessary accounts, no doubt, are in the books. The questions which were asked by Mr. Ruberry our solicitor recommended us not to answer, because they are asked for the purpose of litigation. I will, with your permission, pass over them, although they could be, as far as this company is concerned, answered in the most satisfactory way. As to the title, probably our solicitor could explain that more fully than I could, but as one of the trustees I may say we took very great pains, indeed, to get the title verified. Mr. Evarts, who occupies about the same position in America that Sir Roundell Palmer occupies in this country, was employed to verify that title, and did so. You all know quite well however good a title to a property may be, either in this country or anywhere else, it does not prevent anybody raising a suit against you; and that is exactly our position. Our title was certified to be entirely good, but parties thought they could frighten us by raising an action and get a little blackmail; but their having raised that action does not show there is any foundation whatever for it. As regards Mr. Bridges-Willyams's qualifications, I will not say a word. He is the member for Cornwall, and he is a partner in a very large mining and smelting concern. From the very beginning of the Emma Mine his firm was in the habit of buying the ore that came to this country, and it was through his knowledge of the very great value of the ore he was induced to join the company, and became a director. We, therefore, thought his practical qualifications must be such that he was the very man for the directors to send out. A question was asked whether the workmen were Indians or Chinese, but that has been answered. They are mostly Mormons, being in the Utah Territory. As regards the final transfer, the solicitor will answer that.

Mr. BOMPAS. I cannot give you the exact date. The conveyance was executed about the time of the formation of that company. I cannot give you the exact date of the registration. As the chairman has said, Mr. Evarts has said he investigated the title on behalf of the company, produced the deeds, and certified they were altogether in order.

The CHAIRMAN. We did not see that it was necessary to send out an English person to investigate an American title. We thought that could better be done by an American lawyer of the very highest standing. Mr. Willyams is not a lawyer, and he could not have done that.

A SHAREHOLDER. It was with regard to the future prospect of the mine that we wished to be informed upon.

The CHAIRMAN. With regard to that, we had Professor Silliman's report, and we took very great pains to verify his signature and make it absolutely certain that he really was a man of very high character in America, at the head of his profession. He was a professor in Yale College, in the United States.

A SHAREHOLDER. I suppose he was engaged by the vendors.

The CHAIRMAN. No; he was not. He was not employed by the vendors in any way. He was employed by the first parties spoken of as vendees.

A SHAREHOLDER. Who paid his expenses?

The CHAIRMAN. The expenses were paid by the vendors for the original report because we made it a condition of purchase we should pay no preliminary expenses whatever. It has been asked, when the directors applied to the stock-exchange for a settlement, why a quotation was not asked for. Well gentlemen, I think I have now to speak of the only mistake that was committed in launching this company. The direct-

ors were not aware there was a positive rule on the stock-exchange that they would not give a quotation if the vendors retain more than a third of the shares. In this case the vendors retained one-half; they still hold half, and so long as they do the stock-exchange refuse to give us a quotation. We have not asked them for it, but we know they would not give it. However, the stock-exchange were perfectly satisfied as to all our statements in the prospectus and gave us our settlement at once.

A SHAREHOLDER. May I ask whether the price obtained for the ore is equal to that stated in the prospectus?

The CHAIRMAN. It is more.

Mr. GLYN. I should like to ask if General Schenck left the board from purely political motives?

The CHAIRMAN. I do not know whether General Schenck is here present or not; if he is he would probably like to answer himself; if he is not, I have great satisfaction in stating he left the board from political motives and no other. The party with whom he acts are coming very near a presidential election, and he found the opposition party was making his connection with this company a handle for opposition. He was a director of the Emma Mine, and not only a director, but a shareholder. He retains all his shares and has perfect faith in the company. He left the company for no motive but political.

Mr. HALL. At one time the old company were raising £300,000 per annum; that seems more than they continued to raise.

The CHAIRMAN. That is very easily explained, indeed. During the working of the old company they had an arrangement with the railway to take the ore from Utah to New York at a very low rate. The railway company thought that they were not getting enough money, and they gave notice that they would double their rates at the end of a month or two. Well, as soon as the owners of the mine heard that, they drove the mine as hard as they could to get as much ore as they could conveyed from the mine before the expiration of that notice. Therefore the amount was exceptionally large, but I have no reason to suppose it was larger than we could make it if we chose. We have no wish to drive the mine very hard. It was suggested in the prospectus we should have smelting-works. If we could establish those works we could save about £50,000 a year; therefore it is a very great consideration, and we have not been pressing the mine, and do not wish to press it until we know whether it is expedient to have smelting-works or not. It is one of the questions which Mr. Williams will investigate. If we decide to have smelting-works we will take out all we can smelt; if we decide not to have them we will increase the quantity to bring home.

Mr. PARK. A number of questions have been asked that have been directed more to me than the company, and I am the only one member on the direction capable of answering them. A question was asked when the property was brought here, Why is a property that has yielded so much brought here to be sold? If it had yielded the amount stated in the prospectus in two or three months, and if we had taken out a hundred tons a day, which produced only £28, why was a property of this kind ever on the market? That is the question that was asked when it was first offered. There are cases where we require money for development; here is a property already developed. Why not take the money out of the mine, instead of getting it from the shareholders? Well, the reason was this: This mine was discovered in 1870. It had been opened as a prospective mine, and interests were sold at various prices down to April, 1871. I went to examine the mine, having had a good deal of experience, and I became a purchaser of one-half, with General Baxter. At the time we made the purchase there were a number of lawsuits to the title of the mine. It was claimed by many parties. There has never been a mine discovered on the Pacific that is of any value but there has been half a dozen claimants for it. Some one has discovered that piece of ground some years ago and has never abandoned it, and there may be forty claimants. You here cannot imagine it. It has become proverbial out there, that if you want to find a good mine take the one where there are most claimants. However, many serious questions arose with regard to title, and in order to settle this question as to title, a law was passed in 1866 that any person who did a certain amount of work might make application for a patent. We did this, but they interposed objections, so that we were not able to get our patent. When I examined the mine I became satisfied that the title was good, and I purchased, taking the risk of the different claims to it. Afterward we settled a suit that was pending, and the only one that was formidable. Senator Stewart represented one of the parties. We settled it, and by the terms we were to get a United States patent. A United States patent, under the act of 1866 as to mines, conveys just as perfect a title as any gentleman in England has to a foot of ground in England. Any good American lawyer will say that, and Mr. Evarts and General Schenck were perfectly satisfied as to the validity of the title.

We could not agree on the terms of settlement, and in order to determine them we agreed the property should be sold. When I came here to offer the mine we had a report made by Professor Blake, who was United States commissioner to the Exposition at Paris, and in the employ of the Government for mineralogical surveys. He

examined the mine, and I brought that report with me, and an extract of it you will find in the prospectus. I knew there was no use in giving and getting the reports of other experts. The question would be asked, Who is this party employed by and for whom did he make the report? If for the vendors, they have selected their man, and kept on selecting until they got one that was satisfactory to them, and they then throw the property on the market. So we came without any report except this one of Professor Blake, which was made more for our own guidance than anything else. The statements in that report contained the basis of what the mine was. As to the past history of the mine, I knew everything about it down to the actual cost of produce. Here I might remark, that there is no instance in the history of mines in the world where the ore is produced and realized at a smaller percentage than that from the Emma Mine. That great lode called the Comstock Mines, they produce $150,000,000, and they considered they did well when they got 40 or 50 per cent., while the cost of producing the ore in the Emma is a mere bagatelle; it is a mere commission. Including all the men we employ, captain, miners and all, we only employ between 40 and 50 men to produce the ore, and the cost of production is a mere 2 or 3 per cent. on the value of the ore.

When I offered this property here, it was not to Mr. Grant; I did not know him; it was to other parties. They had to have an examination. Of course the mine was notorious here by the ore that was sent here and sold, but there came the question, "What is the mine now? It is a shell. Have they taken out all the ore, and do they want to put a shell on the London market? We must have an examination," they said, and they selected Mr. Silliman. He is a professor in the Yale College; he is an editor and publishes a scientific journal, which has a character and reputation not confined to the United States, but a world-wide reputation, and occupying the position he does he is a man who cannot afford, as we would say, to make a report that is not true. I have never had the pleasure of meeting Professor Silliman. The *vendees* selected Professor Silliman because of his high character, because of his great experience, and because his report would have greater weight than that of any other person.

He made this report, and after this report was made it exceeded my ideas of the mine, and I want to say this: If I had not entered into a contract before I saw Professor Silliman's report, I should not have offered this property at £1,000,000. When I examined the mine in July it presented a different appearance; it was not then opened out. The parties I negotiated with in the first instance introduced me to Mr. Grant.

A question has been asked whether Mr. Grant received £100,000. I am sorry the shareholder who asked the question was stopped, as I think every question should be answered. I was introduced to Mr. Grant by the parties as a total stranger. I did not know anything of Mr. Grant. I am not here as his friend or enemy; as far as his connection with the Emma Mine is concerned, everything he has done has been strictly honest, and I say this, if too much money was paid for the mine it was paid to the vendors. So far from Mr. Grant receiving £100,000—I am not right in detailing his private business—but so far as from his receiving $100,000, he did not receive 2 per cent. on the amount; so far as Mr. Grant's actions went, in the first place, they were to find out whether the mine was what it was represented to be; and, in the second place, to do the work for a very small commission, and it was so small that, after his work was done and concluded, I was satisfied he had not been paid and I made him a further compensation. [Cheers.] Mr. Grant never purchased an interest in that mine to the amount of a penny; he never purchased a dollar of it; he never was to have a penny interest in the mine; he never took any risk, and he did the work to bring it out, for which he received a small commission that did not pay expenses; he showed them to me; if he owns any shares he has bought them since, and he is a great fool if he has not. If he has shares it is stock he has purchased on the market and not from the vendors.

The vendors retain one-half of the shares. Personally I am the largest holder of the stock, and I have increased my holding since this company was brought out, so that I hold a larger interest in it, and if it is a cheat I am the worst-cheated man of the whole lot. So far as personally relates to me, I have increased my holding instead of diminishing it. At the time we offered the mine we limited the portion we would sell to one-half. At that time I knew nothing about the rules of the stock-exchange. It was a mistake two-thirds were not put on the market when this mine was brought out. There were 25,000 shares offered, and 40,000 were applied for. Very soon after the mine was brought out attacks were made against us. We were charged, in the first instance, with having no title, and then that the mine was a mere shell, and some went so far as to say the report made by Professor Silliman was a forged report. All sorts of stories were told. I have received myself, and I never paid a dollar for them, more than 100 papers, and you have, I dare say. Various shareholders have received letters advising them to sell their shares for whatever they could get. Among other things, it was said the vendors were putting the shares in the market. It was represented that it was very desirable that there should be a quotation, and that that could not be got until the vendors' shares were reduced to one-third, and I was applied to

to sell enough shares to reduce the vendors' interest to one-third. I told those gentlemen that I came here as an honest man. I had some property besides the Emma. General Baxter stands as high in New York as any gentleman stands in London. I represented him and the vendors, and when these reports were made I began to question whether I was not a great rascal, and therefore I said I won't sell a single share until you verify the statements by sending out some gentleman the English shareholders have confidence in. I went so far as to volunteer to pay the expenses of every member of the board if they would go. The gentlemen on the board were economical about paying Mr. Willyams's expenses. I had to step in and help, as I was anxious to show whether I had been cheating the public. What is the result? Mr. Willyams has gone out; he has made his report; he took Professor Silliman; his company had been smelting the ore for some time; he had a perfect knowledge of the ore and its value; he had an acquaintance with mines; he was the man on the board peculiarly qualified to go out. There was another mine in the immediate vicinity of this, that I thought it very desirable to buy, if it was as it was represented to be. I wanted to know about that mine, and therefore Professor Silliman was induced to go with Mr. Willyams. One fact the chairman did not fully explain—the telegraph. This was done by a key. The word Albany was, The mine looks better than when Professor Silliman reported. One word said, The mine does not look as well. In giving Albany he gives the extreme. The word Apple was, New explorations since Professor Silliman's report show large quantities of ore in addition to that then in sight. Another word, that the new explorations did not show more ore; and then again another word, There has been shipped three thousand six hundred tons of ore. Then, as to the second-quality ore, the question asked was, Is it fully equal in quality and quantity to the statement in the prospectus? The answer was, yes; adding the words, "and more." The ore is just as easily worked as a sand-bank; a man will run in twenty-four hours a drift of 20 feet. Mr. Willyams has gone, and before he went he said if any man has shares in the Emma Mine and loses his money, he will blame me. Mr. Willyams's report is satisfactory, and if this report be true, as made by Professor Silliman, then the mine is proved to be worth much more now than when Professor Silliman made his reports. I think I am justified in stating now that everything that has been stated by the vendors has been fully verified, and more, by the report of Mr. Willyams.

Now as to the future. Mr. Willyams' report says we are taking out 40 tons a day, and can largely increase it if desired. It is not desired. We can save £10 a ton, or 12 per cent. dividend if we can smelt these ores there. In other words, it cost £10 a ton to transport them here. I am satisfied the ores can be smelted there. Mr. Willyams being a smelter, and having smelted these ores, can form a judgment; therefore we do not desire to send any more over, because we are losing £10 a ton on every ton if they can be smelted there.

There can be taken from that mine 100 tons a day, and never has a mine been worked in the way this mine is worked and given out. I am satisfied the ore will hold out, and if I had a guarantee I would hold out as long as the ore will. I would not want a better life-insurance.

A question was asked whether General Baxter and Mr. Stewart attended the board-meeting. General Baxter was never in London; he owns to-day 7,000 shares; he forwards the ore from New York and attends to the business of the company in New York. Mr. Stewart was here; now he is at the mine on the business of the company; he did attend the meetings of the board down to the time he left. Senator Stewart was present at the meetings of the board while he was here; he holds 5,000 shares and has no desire to sell any of them; he had not any shares in his name on the books of the company until my attention was called to it a month or two ago; they were in my name. I then transferred to them 25 shares apiece, but they owned, one 5,000 and another 7,000 from the time the company was formed. Now, the only other matter I call to mind is as to this question raised of getting these shares quoted. I see the importance of that, because all sorts of stories are told; shareholders are told the shares are selling for 18 or 19, when they may be 20 or 22. The shares are held by 1,800 shareholders, and people who do not want to sell need not mind these stories, but still they do not like to see their property depreciated; and in order to get the quotation, I am willing to sell enough shares to reduce the vendors' holding down to a third, if it can be done at a proper time and I can get a proper price; but when I took these shares I believed and do believe, instead of these shares being worth £20 a share, they are worth £40. That is my judgment. I may be entirely mistaken, but I shall certainly hold shares until they go to £40. No man is always going to hold 25,000 shares. I represent fifteen different parties, and some of them are willing to sell at such a price as I am willing to sell at. When we get Mr. Willyams's report and Professor Sillman's report, I shall make such an arrangement as is proper to sell part of my shares so that our exchange may be obtained. [Cheers.]

Mr. Bompas. It is, perhaps, due to Mr. Ruberry, though he has not shown much courtesy to myself, to say that this company is not made a party to the litigation to which I referred. It is equally clear that he is not entitled to ask for information for the purpose of litigation.

The CHAIRMAN. May I conclude the shareholders are now satisfied they are holders of shares in a really satisfactory mine, and instead of their standing at £22 in the market they ought to stand at £40 or £50? It has been a great satisfaction to the directors to receive these recent reports, because every one of us have suffered very severely from the adverse statements we have had to submit to. I hope there is an end of them, and that the company will go on in a satisfactory way in the future.

A SHAREHOLDER. I beg to move the thanks of the meeting to the chairman and directors for their full and frank explanation of the affairs of the company. It was a matter not touched on by the honorable gentleman on my left, but I would like to ask the honorable director why he passed New York to come to London with the mine.

Mr. PARK. We organized a company at £500,000, which we offered at par, but we had to sell the whole, and the New York market was not large enough to float a mine to that extent; we did organize our company there, and could have sold shares at par. That was before these recent developments; we wanted to bring out the entire property; and besides interest is higher there than it is here.

There is one thing I omitted to say. These shares were placed entirely on my representations, which have since been verified; but if any gentlemen are still dissatisfied and want to return their shares, I will relieve them, and pay them their money back at the office, after the meeting.

Mr. ROUSE. I rise with great pleasure to second the proposal of thanks to the board. I think the information you have afforded us has been so ample it would have been impossible to give us anything to create greater confidence than that information. But there are two pieces of information which I think the directors have forgotten, and which I can give; the one is, those enormous reserves talked of in the prospectus had never been touched up to the present time, and the second, it may be satisfactory to some of the proprietors to know that when Mr. Brydges-Willyams went out, he took a practical miner to see if smelting could be done on the spot. With these remarks I most cordially second the proposition. The motion was carried unanimously, and with loud cheering.

The CHAIRMAN. On behalf of the board, gentlemen, I return you my own and my codirectors' thanks for your confidence; I can only say that every member of the board does his work in a very ample manner. We never have the least difficulty in getting a quorum at our meetings. Every one attends to the work and knows thoroughly all that is going on, and I believe I can promise we shall do the same for the future. [Cheers.]

The proceedings then terminated.

EXHIBIT B.

SECOND SHAREHOLDERS' MEETING, MAY 8, 1872.

The Emma Silver Mining Company, Limited.

Minutes of proceedings of the second ordinary meeting, held on Wednesday, the 8th May, 1872, Mr. George Anderson, M. P., in the chair.

The secretary read the usual notice.

The CHAIRMAN. From the notice which the secretary has just read, you will have heard that the principal object we had in calling you together at this time was to meet Mr. Brydges-Willyams on his return from the United States. I am exceedingly sorry to be obliged to announce that that is now impossible for him to do. Mr. Willyams's father died on Tuesday night, and this sad event has, therefore, rendered it impossible for him to attend this meeting. I must, therefore, adjourn it till a future day, for the purpose of hearing Mr. Willyams, but in the mean time we will give you all the satisfaction we possibly can as to the present state of the mine. We have a report from Professor Silliman, which Mr. Willyams brought with him, and the secretary will read that to you. We have also very fortunately to-day a very long letter from the mine, giving a complete account of all that has taken place; of the late snow-storms they have had, and which I dare say most of you have seen noticed in the public prints, and by which some other mines have suffered more severely than ours has. The Welington Mine have lost their manager, who was killed in one of the snow-slides. We have escaped any very serious damage, but they have tended very much to retard our progress. These weather delays are, I understand, unprecedented this winter, and have certainly completely upset the calculations of the directors. I do not think the directors can at all blame themselves for this, because, if the thing never happened before, it was impossible for them to foresee or expect that it would have happened now. The consequence is that large quantities of ore, which, as stated in the pros-

which this company has so long been made a victim. We have reason to belie
deed we have received information, that there has been quite a conspiracy f
bearing down our stock. Parties are understood to have made large sales of sto
delivery in May, but they have been entirely disappointed in breaking down ou
to par, and they are using the most desperate efforts to endeavor to carry their
I have not the least doubt but that these efforts will be continued and persist
and therefore shareholders may expect to receive more of those extremely disinte
circulars than they have already had.

I only hope that shareholders will estimate them at their true value, and will
stand that the men who send them, signing themselves shareholders, would b
unlikely to send out documents to damage their own property, if they had an
they would be very unlikely to go to the expense of printing and distributin
circulars merely for the benefit of shareholders, of whom they know nothing. It
entirely for the purpose of breaking our stock, and I hope that shareholders wil
them at every point, and if so, they will be very severely bit before the end
month. Mr. Willyams's letter, dated from the Waterloo Hotel, Jermyn stree
follows:

"DEAR ANDERSON: I very much regret that the death of my father, which oc
this morning, will prevent my attending the shareholders' meeting to-morrow.
most anxious to have been present that I might have given a full account of m
to the mine and have entered into the many points of interest and importanc
nected with it. I beg to make my apologies to the shareholders, and to assur
how very desirous I am of meeting them, as I wish to convince them of the grea
of the property and its future prospects, of which I cannot speak too highly. I
to go into Cornwall with my late father's remains next week, but on my return
I may have an opportunity of meeting the shareholders, when I shall be rea
willing to give them every information in my power. In the mean time I woul
ture to beg shareholders to allow none of the lying reports which have been circ
to frighten them into parting with their shares at a loss, believing as I do th
property is honestly worth more than double what it was three months ago, in
quence of the valuable discoveries which have been recently made."

The chairman here read Professor Silliman's report in lieu of the secretary,
voice was hardly powerful enough to be heard all over the spacious "pillar-
where the meeting was held.

"(16th April.) In my communication to you of 29th of February last, yo
remember there were certain important questions then enumerated upon which
thought best to reserve judgment pending fuller inquiry and investigation.
were first, smelting of ores in Utah; second, concentration of low-grade ores;
wire-rope tramway and transportation of ores in general; and I may add, alt
not then specifically mentioned, fourth, the treatment of low-grade ores by millin
cess. I will now briefly state the results of the inquiries we have made and th
clusions arrived at on each of these subjects, together with some additional fac

quires the addition of a proportionate amount of iron oxide and lime, increasing the antity of fuel requisite to flux the inert mass. The quantity of lead may be increased the purchase of low-grade galenas from other mines within reach, containing from to 20 ounces of silver to the 2,000 pounds, with from 50 to 70 per cent. of lead per ton. is probable, though not certain, that an adequate quantity of such ore may be had a remunerative price.

"The price paid at the Pioneer Mill in East Cañon, for ores containing 30 ounces lver and 50 per cent. lead, is about $16 per ton.

"There are considerable quantities of poor lead-ore in Bingham Cañon, within easy ansportation of Sandy station, which can probably be purchased at a remunerative rice for this use.

"The amount of antimony, zinc, &c., in the Emma ores is small, and will not seriously terfere with their smelting in a shaft-furnace. I have, in a brief memoir on the inerals of Utah, considered the chemical constitution of the Emma ores, and beg ave to refer you, for further details on this subject, to a copy of this paper, appended this report, and marked "A," page 193.

"The cost of transportation of the ores from the Emma Mine to Sandy station is now 10 per ton of 2,000 pounds.

"This cost may be materially diminished by a better roadway in the cañon, and by he extension of a narrow-gauge railway or tramway to Granite City; and, in the event f erecting smelting-works at Sandy station, the cost of sacking can be saved, which about $4 per ton of ore of 2,000 pounds. The cost of iron-ore for flux obtained from awlins, on the Union Pacific Railway, some 200 miles, will be about $20 per ton. his flux is of excellent quality, being quite free from silica. It is possible that some f the iron gossans on the outcrop of veins in the vicinity of the Emma Mine, which ontain a few ounces of silver to the ton, may be employed with advantage so far as hey can be obtained, but it will not be safe to rely on them for the great bulk of the lux. Limestone, of good quality, exists abundantly in the cañon, but the cost of its ransportation cannot be estimated at much less than that of the ores. The supply of hese fluxes is ample for all demands. The only fuel hitherto used in Utah is charoal obtained from the coaling of pine wood. The supply from this neighborhood is mall and precarious, and the only safe source for its supply is from the Sierra Nevada ountains on the Truckee River by the Central Pacific Railway. Its cost laid down t Sandy station will be from 25 cents to 30 cents per bushel. Coke of excellent uality from Pennsylvania will cost at Sandy station about $30 per ton of 2,000 pounds, nd even at this extravagant cost, it is believed to be cheaper than pine charcoal at 0 cents per bushel. The coals of Utah and Wyoming are all brown coals. The coke hich they produce is strong and hardly more in bulk than the coal from which they re derived. About 70 miles below the Little Cottonwood Cañon, at a point known s San Pete, there are beds of these coals, one of which is said to be 14 feet in thickess, the coke from which amounts to 67 per cent. of the coal, with about 7 per cent. f light ash. I have not seen this coal in place, but have examined samples of it and he coke it produces. This locality is on the path of the Utah Southern Railway, hich is already constructed half the distance to the coal. With the completion of his railway it is believed that the coke of this locality can be laid down at Sandy tation at about $8 per ton.

The Rocky Mountain coals of the same grade are abundant and of excellent quality or brown coals; but the distance is such that the cost of coke from them, delivered at andy will be high—not less, probably, than $20 per ton. With the ownership of the oal in the hands of a smelting company, probably the ores could be laid down near he coal at remunerative prices, with the important advantage of being also near he iron flux. It is not, however, demonstrated that the coke from these coals will nswer the demands of the smelter, although it is not easy to say why they should ot do so, judging from the strength and purity of the coke. We must not confound hese coals with the inferior brown coals of Europe, which simply crumble in place of oking. The use of the Rocky Mountain coals on the continental railways, where hey are the exclusive fuel, has demonstrated that for producing steam they leave othing to be desired, and it is hoped that an experiment may be made to test their se for smelting, which will place this important question on a definite basis. From hat has been said, it will be readily seen that there is much room for difference of pinion as to what may be the best site for the construction of smelting works—hether at Sandy Station or near the Emma Mine, at San Pete, near the coals of that egion, near the coals on the Union Pacific Railway, or at Van Dyke, or on the Truckee iver, at the eastern base of Sierra Nevada, where charcoal abounds at a cost not exceeding 10 cents per bushel, and ample water-power also at all seasons. It is probably rue that the data are still wanting for a satisfactory solution of this question, and specially do we still lack the highly important datum which concerns the smelting alue of the coke from the coal of the several regions named. Pending the decision of his question, which cannot now remain long unsettled, one fact appears clearly established, namely, that, accepting the very high costs now paid in Bingham Cañon for

fuel, flux, and transportation as the basis of calculation, there will be an important saving of costs in smelting the first-class ores of the Emma Mine at or near Sandy Station, as compared with shipping them to Swansea, via Liverpool.

The data for this opinion are as follows, viz:

1st. The average total cost and losses per ton of 2,000 pounds on 2,450,777 pounds of Emma ores shipped to Liverpool in August and October, 1871, and assaying 41¼ per cent. in lead, and 11,220 ounces in silver, was by the items furnished by the company's secretary in Salt Lake City (Mr. Smith) as follows:

Gross value per ton of the above ores at Sandy Station	$206 18
Net value at Sandy Station after deducting all costs, charges, losses, &c	109 55
Costs and losses by shipment and smelting	97 13
	(£96 63)
2d. Mr. Ellsworth Daggett, of Bingham Cañon, Utah, who is in charge of the furnaces at the Winnamuck Mine, where the success is satisfactory to owners, states to us that the total cost, including losses of handling such ores and the bullion from the same by smelting, at or near Sandy Station, based on results obtained in handling his Winnamuck ores, would be, per ton of 2,000 pounds	75 85
The difference in these two estimates is in favor of smelting the Emma ores near Sandy Station	18 28
To this should be added saving in sacking	4 00
Probable saving in cost of fuel and fluxes, viz: The cost of hauling by steam some 15 miles up a mountain, say not less than	6 00
Probable saving by smelting the first-class Emma ores at or near Sandy Station	28 28

You will find on inquiry that Mr. Daggett's estimate of the cost and losses of smelting are much in advance of estimates made by other parties in Utah, and it is highly probable it may be safe to estimate the saving at $30 per ton, or £6, which, on the average daily shipments of this grade of ore, would in the year amount to over $300,000, possibly to $350,000.

Our best information leads us to believe that to erect smelting works adequate to do this work would not cost over $40,000.

Comparing these very high costs for smelting with the cost of similar work in England, it may very naturally appear possible to solve this problem at a cheaper rate. To argue this question would consume too much of your time and attention, nor is it needful, seeing Mr. Willyams, one of your directors, is now fully advised on all the questions which may arise on this subject.

CONCENTRATION OF ORES.

From the data drawn from your own experience in the transportation to and smelting of ores in England from the Emma Mine, it is evident that no ores of a less value than $100 per ton can be shipped and smelted at a profit. The question, therefore, is one of prominent importance, what can be done with the very large amount of second-class ores now on the surface at the mine, or stored in the shells within the mine, not to speak of much more of the same class which remains standing in place. In reference to this question I have already suggested in my communication of February the 29th, that we should institute inquiries respecting the mechanical concentration of these ores. The best process of concentration we believe to be the German system, by water, with the apparatus made at Kalk, near Cologne, on the Rhine. Mr. R. Boehm, formerly assayer at the Emma Mine, has been familiar with the practical working of this system at the zinc-mines in Austria, and assures us it is perfectly applicable to the Emma second-class ores, and that the loss of dressing will not exceed 3 per cent. of the assay value of the ore. The cost of dressing-works capable of dressing ores of second class, 30 tons daily, he places, approximately, at $10,000. The average value of the second-class ores he states to be, by his assays, about $53.70 per ton, allowing 15 per cent. of lead and 30 ounces silver to the ton, which in our opinion is a very low estimate. He states that by experiments in the small way on the Emma ores of this grade, 3 tons will produce 1 ton first-class ore, of a value of $161.10 per ton, or about $1,600 daily for the gross products of such a dressing process. The expenses are estimated at about $250 per day. I submit herewith a memorandum and proposition from Mr. Boehm respecting this matter of concentration, marked "B." Of course, when the ores are thus concentrated they go to the smelter with others of the same grade. It is expected that most or nearly the whole of the silica will be removed as waste in the process of concentration, which will be an important advantage in the smelting process, saving both flux and fuel.

ON THE TREATMENT OF THE SECOND-CLASS EMMA ORES BY MILLING PROCESS.

It is the opinion of the best judges of Utah, that when the sum of the units of lead in per cents and the silver in ounces is less than 60, it does not return to the smelter more than costs. Thus if an ore contained 20 per cent. of lead and 40 ounces of silver, (equal 60 units,) it barely pays the cost of smelting.

This state of facts, you will readily see, has an important bearing on the best mode of treating the second-class ores of the Emma Mine, and has led us seriously to consider the comparative advantages of smelting these ores (after concentration) and the alternative of treating them by milling process. In prosecuting our researches on this subject, we visited the Pioneer Mill, in East Cañon, built for the owners, Messrs. Walker Bros., of Salt Lake, in order to examine for ourselves how far the system there in use might be applicable to the second-class ores of the Emma Mine. We found the mill in question at work upon an ore substantially like the Emma second-class ores, having about 30 per cent. of lead and about 35 to 40 ounces of silver to the ton.

This mill crushes the ore in question dry, by stamps which reduce it to a size passing through screens of 60 openings to the inch, say 3,600 to the square inch. As the ore contains, like the Emma ores, a portion of unoxidized sulphurets, an amount of common salt requisite by analysis to convert all the silver to chloride of silver is added in the battery, and the powdered ore is then carried by self-acting machinery to an oxidizing furnace, when it is projected by a blast into the top of a lofty furnace, where it meets the flames, and hot air accompanies them in their circuit through the flues on the way to the stack. In this transit the ores are completely desulphurized and converted to oxychlorides and accumulate upon iron hearths which at stated intervals discharge them into vaults level with the cooling-floors, from which they are in turn delivered to the amalgamation apparatus, (Nevada pans.) The loss of dust is avoided by a system of flues and dust-chambers through which the gases pass on their way to the stack.

By a similar arrangement these gases are also made to heat the floors of masonry upon which the crude ores are dried. This is the so-called Aiken furnace for desulphurizing and chloridizing ores, the latest result of the best experience in Nevada. By its use ores which without its aid could not be worked at all satisfactorily in mills, are now made to yield 89 to 90 per cent. of the assay value according to grade. The total cost of the milling and roasting does not exceed $10 per ton of the ore treated.

The cost of a mill with 15 stamps, with space and power for 20 stamps, with all its appointments complete, including the buildings and stock of quicksilver, chemical reagents, retorting-furnaces, motive-power, and the roasting-furnace, will not exceed $60,000, and it may cost somewhat less than this sum. The Emma ores of the second class are so soft and finely divided, it is quite probable that two tons may be crushed to the stamp; and it is our opinion that a mill of 15 stamps, with capacity and motive-power for 20 stamps, will be quite sufficient to handle 30 tons daily of these ores.

It will be observed that by this process the lead contained in the milling-ores is disregarded, the silver alone being saved; and ores which contain 30 per cent. of lead can be thus treated with success.

Late explorations in the mine show that there are large amounts of ores which are rich in silver, but containing not over 25 per cent. of lead.

All such ores can be treated in the mill far more profitably than by smelting, as will clearly appear when it is remembered that all the costs of transportation and sacking are saved, the ores being delivered to the mill as they come from the mine by a short tramway, which must be covered to protect it from the heavy snows of winter. In fact, the cost of milling all the ores which are suited to this process will be less than the costs now incurred in delivering them sacked at Sandy Station. No process of concentration is required to prepare the milling-ore for this treatment.

In view of this statement of the advantages of milling ores adapted to this process as compared with any other mode of dealing with them, it may be asked why not at once adopt this method and proceed to erect a mill and roasting-furnace at or near the mine? The answer is, that one very essential datum is yet wanting before we can with entire safety advise this course, viz, Are the Emma ores such that it is quite certain they can be handled in such a manner as has been described? To solve this doubt, we have sent over to the Pioneer mill, in East Cañon, a quantity of the second-class ores from the Emma Mine, the assay value of which has been ascertained, with orders to have them subjected to the treatment proposed.

The results of this trial have not yet reached us, and pending their arrival we must observe a safe caution in giving a decisive opinion. I may say, however, that we expect only a favorable return. Granting the result to be such as we anticipate, there can be no question but that it will be the true policy of your administration to erect such a mill as is contemplated without delay. The success of this system being guaranteed by trial on a sufficient scale, it involves possibilities which must very seriously affect for good the interests of your company. But as these considerations are contingent and prospective, it will be time enough to discuss them hereafter.

Means of transportation of ores.—The construction of a wire-tramway for the transportation of ores from the mine to the mouth of the Little Cottonwood Cañon has been carefully considered, and the result of all inquiries and examinations has been unfavorable to the probability of a satisfactory solution of this problem. The distance is so great (twelve miles) that not less than three, and probably four, stations for power will be required to work the apparatus. The cost will also be great, both of erection and maintenance, and estimating the life of the wire-rope as three years, it is believed that the cost per ton of ore moved will not be less than two dollars. The liability to destruction of portions of the line every year by snow-slides is such that it is certain to involve both expense and interruption, and against this danger there is no remedy. Lastly, the construction of the requisite trestle-work to carry the wire-rope over the gulfs and precipitate places of the cañon will go far to consume all the available timber on the mounts adjacent. There is the greatest need of economy in the preservation of this timber for mining purposes; the consumption for this important use being large and constantly increasing. A survey has been ordered to determine accurately the profile of the cañon, as this information will be useful in deciding how far the company may desire to go in improving the grade if they do not build a wire-tramway. This survey cannot be made until the snows, which are now accumulated to a great depth, are melted. The suggestion is respectfully made for your consideration whether it would not be wiser to spend the amount of money requisite to construct a really good road from the mine to Graniteville or to the mouth of the cañon, over which ores could be hauled by teams in bulk and at a considerably diminished cost. This road must be sprinkled daily in the dry season as the most economical mode of keeping it in order, (such being the experience in Nevada and California,) and it must have sufficient width to allow the passage of loaded teams at all points. If thought best, it can be made a toll-road by grant of the United States Government for the benefit of your company, or of a separate organization, in which the Emma Mine, in common with other mine-owners, can be joint shareholders. The traffic for such a road is sure to be an increasing one, as the various mines now known, and others yet to be discovered in this cañon, are more and more developed.

THE EMMA MINE.

The discoveries of ore in your mine made since the property came into your hands have been stated by me in detail in my former communications up to the 1st of April. Thus far these discoveries have been well in excess of all demands upon the mine, and are a guarantee for the future of regular and satisfactory dividends. The only safe policy in the administration of such a mine as the Emma, in which there are a large number of shareholders in small or moderate amounts, is a conservative policy, which shall secure at all times a large reserve of ores such as will serve as a reasonable guarantee against the chances, which always attend mining adventurers, of periods of comparative poverty in ores, when the reserved must, if possible, be sufficient, not only to continue the regular dividends but also adequate to pay all costs of new explorations. Such is your present position fortunately, and you can go on with confidence in the expenditure of the capital requisite to carry out all the constructions and improvements contemplated in this report, that the existing reserves will respond to any reasonable demands which may be made upon them, and yet maintain steadily your regular dividends, or possibly grant you an occasional bonus. On the eve of our departure from Salt Lake City for New York we were advised of a new discovery of ore upon the domain covered by the United States patent granted to the Emma Mine. At a point west by north from the old Emma shaft, and over 400 feet from it, certain parties have long been pushing in an adit or tunnel into the ground of the Emma Mine, under cover of a mining location called the Illinois Tunnel Company. These parties, after driving for a considerable distance in limestone, have lately come into a body of ores previously unknown, which is spoken of by the Emma officers as both considerable in quantity and of high tenor in silver. Orders have been issued to your mining captain to push work from the old mine in the direction of the new ore-body with all practicable rapidity, that you may have the earliest advices of the real value of this new discovery. The parties who have made this discovery have really done the Emma Company a good service. They were at once warned by your counsel to desist explorations. It is satisfactory, therefore, to be informed by your resident director, by a telegram dated the 9th of April, that the "Illinois Tunnel people are amicable and will make no trouble." The map which I have taken steps to have prepared and forwarded to you at the close of this month, will show you clearly the relations of this new ore-body to former workings, and possibly we may by that time be in possession of some data which will enable us to judge somewhat of its extent and value.

It is certainly a most agreeable sequel to our late excursion to your property, and after announcing to you in our former reports the satisfactory condition of the Emma Mine, that we are thus unexpectedly enabled to close the present communication by informing you of a discovery of such promise as that just announced at its close. The

irman said I should perhaps explain to you that this new discovery which we
ın to make ours has been traced by our vein of ore to the spot where they have
covered it. We are, therefore, driving, in working through our present working, in
er to prove the continuity of our vein. If we prove the continuity of our vein we
e possession of this body of ore without any possible dispute. The importance of
h a discovery is simply enormous, being 400 feet away from our present workings.
hows the mass of ore we have to deal with to be immensely greater than anything
could possibly have imagined before. The solicitor will now relieve me by reading
report of Mr. Hussey, the resident manager, dated April 18, 1872, and addressed to
secretary.

SALT LAKE CITY, *April* 18.

wrote you on 12th instant (copy inclosed) and have since received your letters
23d, 26th, and 28th ultimo; on 15th instant sent you cablegram as follows: No
nmunication with mine since 11th. Twelve feet new snow last week. Abbey
ne. Albion, and on 13th instant sent you part of Salt Lake Daily Herald con-
ning account of a snow-slide in Little Cottonwood Cañon on 11th instant, burying
a number of men and causing death of Mr. Murray, superintendent Wellington
ne. The storms of past week have been unusually severe, blocking up cañon road,
troying telegraph-wire, and completely cutting off all communication with Emma
ne from morn of 11th instant until 16th instant, when S. Williams, esq., started a man
wn to mouth cañon on foot, over the snow, with a batch of letters, from which I
ll give you extracts to enable you to have the better understanding of the difficul-
s we labor under at present in getting the ore down to railroad. The storms
mmenced at mine on 10th instant, and continued on until morn of 11th instant, when S.
illiams, esq., says, in letter of that date: "It looked so much like a January storm that
e cannot tell the difference without an almanac. Mercury 10° above zero this morn-
g. I have not tried to measure the fall of snow, but I think we have had 2 feet or
ore in this last thirty-six hours;" and in a postscript on letter of same date, 11th, he
ys: "Just at this writing, three a. m., it looks as much like a six-foot snow-storm as
ything we have had since last July." In letter dated 13th instant, he says: "The
cent storms have blockaded the roads and every other out-of-door business worse
an anything we have previously had during the winter;" and, after mentioning the
g snow-slide which killed Mr. Murray, further says, "A very small body of snow
oke off a few yards above our carpenters' shop, went over the blacksmiths' shop,
hich is a number of feet under snow, doing no harm except to fill up his chimney and
t out his fire. It passed the ore-house, knocking the doors of the scale-house off the
nges, but doing no other damage. This only gave us a hint of what might happen
about ten or twenty times as large a body should start down. This little slide would
ve buried a man up very readily if he had been in track of it. Yesterday I put about
enty men on the roads with shovels, and dug out a very fair road to Alta, (a small
wn at foot of mountain, and about a mile from the mine.) The weather is now, and
s yesterday, fine, not warm enough to melt the snow much. Mercury at 11° above zero
morning, and but 24° above zero at noon in the shade." In letter of 15th instant says
Williams, esq., "Stormed and drifted very badly again on Saturday night, 13th instant.
ads blocked up again, and this morning it is difficult to see any benefit of the labor
about twenty men done in shoveling snow, making road to Alta, on Friday, 12th,
d we got at it again this morning. It is all we can do to save our frail buildings
ook-house, boarding-house, office, and sleeping-rooms) from crushing in from weight
snow above them on the mountain-side like egg-shells. During March the weather
s very fine; everything indicated an early spring; snow on mountain commenced
lting rapidly, continuing so until 10th instant. It has cleared up considerable
ce 16th instant, with a few heavy snow and rain storms in the valley and mountains,
t has not yet got through with threatening indication of continuation. Wagon-
ms had not visited the mine from eve of 9th instant up to yesterday, 17th instant, con-
quently no ore left the mine, but the cañon road being broken by men and mules
ading down a path through the snow, which is a very difficult job, as the men and
les have to wallow through, and sink right down in the snow, but information leaves
the hope that teams will reach the mine to-day, and again commence bringing ore
ay."

There is nothing but these obstacles of nature (snow, and bad roads by melting
w) to prevent their leaving the mine at rate of forty or fifty tons per day, or as
ch more as desired. The teams already at work are perfectly satisfied with the rate
$10 per ton paid, but men will not work at all through such severe storms and at
t of their own lives and loss of animals, &c., and, as S. Williams remarks in his let-
15th instant, I adhere to my opinion expressed some days since, that if we were to
r double the price per ton for hauling we are now giving, we should get but very
le more ore hauled than we shall at the present price. I trust you will appre-
e that S. Williams, esq., and self are doing the best possible under the circum-
ices. The quantity of ore raised from the mine last week was one hundred and fifty

tons first-class, seventy-five tons second-class, which information I did not from mine in time for cablegram sent you 15th instant.

"The recent snow-storms found us with about three car-loads of ore at Sandy which have been enabled to make up to seven car-loads by bringing fro since 15th instant some few tons ore which was en route from mine, but on thi the deepest snow, and these seven cars, 70 tons ore, came up per railroad fro Station this morning and leave here this morning for New York; this leaves u out ore at Sandy Station, but anticipate teams will be successful in endeavors more down from mine forthwith. There is no immediate probability of the company increasing their rates of freight; rather the contrary; in fact the Pacific Railroad Company are just now making great exertions to have E shipped over their road west of San Francisco, thence for sailing-vessel via Ca at a saving of $8.25 per ton per 2,000 pounds, with a difference of time of sev days over and above the present cost and time of the eastern route via New Y as at present, which you will more readily understand by the close copy of (15th instant) to E. Brydges-Willyams, esq., at New York, on the subject. I n remarks about having ore going through to New York in same railroad-cars i here in, but regret to say that efforts of Emma Company's have previously make any better arrangements than one transfer from Upper Pacific cars belo eastern roads either at Omaha or Chicago; however, I will renew efforts to o desired arrangement, but have little hope of success, as it will not pay railroa nies to transport empty cars, belonging to eastern roads, from Chicago or O Salt Lake to load Emma ore into. Occasionally eastern-road cars do come here loaded with merchandise, and advantage is always taken to load such c Emma ore and avoid any transfer thereby. Inclosed I send you statement of of ore sent from mine to railroad-station, and from thence per railroad to N during each month since October 16, 1871, date of Professor B. Silliman's r desired in your letter of 28th ultimo. You will observe that in the statement o of ore shipped to New York in 293 cars, is estimated as equaling 3,1 Each railroad-car is supposed to contain 10 tons ore in reporting to you shipments, while each car sent from here actually contains 10½ tons, at lea weight, and as the amount of ore reported forwarded from mine is alwa weight, (that is weight of ore and sacks,) the 293 cars forwarded to New Y 16th October, 1871, to 31st March, 1872, actually contained 3,150 tons gross the railroad companies only charge for 10 tons in each car, as that is amount s to be in each one, but we load 21,000 pounds and over in each car to cove tearing of sacks and evaporation of moisture, and to insure there being alway net weight of ore in each car.

"No application has as yet been made for patent to the 600 feet extension o Mine, nor is it desirable to do so at present, so I am advised by the attorney company here, (Marshall and Carter,) who say that our location-title of the extension is perfectly sound and tenable, (when the company have already a States patent title to the mine itself,) and as good as a patent title. The pre plorations now being conducted at the mine will determine the exact locality o sion from original location. Messrs. Marshall and Carter desire me to reques forward the United States patent-title deed here, that it may be recorded in trict recorder's books, which is required by local mining-laws, but has not y done, and I will return it again to you after recording it.

"W. HUSSE
"*Resident General Ma*

A statement of ore forwarded from the mine from October 16, 1871, to M 1872, was then read. This was an extremely interesting compilation, and th appeared to give great satisfaction to the shareholders. The fullest particul given month by month. The reports of Professor Silliman and of Mr. Hussey w received with complete satisfaction, holding out as they do great promises fo ture. The discovery made in Emma ground by the Illinois Tunnel Compan beyond a doubt the continuity of the vein or lode, and adds immensely to the the enterprise. This view was universally held by the meeting, an assem over one thousand shareholders, and a very decided opinion prevailed on the s the recent attempts to injure the property.

The CHAIRMAN. The last matter mentioned in Mr. Hussey's report is the 60 extra claim reserved; 2,400 feet are covered by the United States patent; an stated in the prospectus that we had an additional claim to 600 feet. We wa that 600 feet made over to us without doubt, and that is what Mr. Hussey now. As to the transit, we made inquiries to see whether we could not save m sending our ore down to the western side of the continent, in place of bringi New York and transporting it by steamer here. We found that to bring it by vessel from San Francisco was only about thirty shillings a ton of saving, and i a loss of three months in point of time, which, I think, would be more than eq

In the mean time we have given up all idea of that. I should mention that

at present in contemplation a plan to send some of our ore to the smelting-works in Germany, where they have carried the process of smelting to a very much greater perfection than we have in England, and where we expect to effect a very material saving in the price of our ores. That letter of Mr. Hussey's also sent us a statement in which we were deficient—a statement of the exact amount of ore that had been raised from the mine since it came into our possession. That statement is as follows: "The last fortnight in October, 127 tons; thus beginning at the point where Professor Silliman's report, on which the prospectus was founded, which you may remember stated as being 2,800 tons on hand. I may now state what has been raised from the mine in addition to that: November, 26 tons; December, 453 tons; January, 861 tons; February, 200 tons; March, 234 tons; and April, 450 tons; which makes a total of 2,414 tons." In the prospectus we gave 2,800 tons as being on the mine, and that we expected to be able to get out of the mine and to send home before the end of February, 2,600 tons. These two amounts taken together would be 5,400 tons that we expected to have in London by the end of February. It appears now that up to the end of April we have taken out of the mine 5,214 tons, so that the state of matters is that, on account of these severe winter snow-storms, we are now, at the end of April, not in as advanced a position by 186 tons as we expected to be by the end of February, and that we have a part of the ore at the mine in place of having it in this country. However, I think it must be admitted, knowing that the delay has been attributable to causes over which we could have no control, and therefore I think the statement of ore raised from the mine ought to be very satisfactory indeed. We have not the least reason to doubt that the moment the weather admits of it, and the road is sufficiently repaired, we will be able to renew the quantities in much larger amounts. If any shareholder wishes to ask any question, I shall be happy to answer him.

A SHAREHOLDER. I have not a question to ask, but a petition to present, which, I think, will meet with the general acceptance of the shareholders. If you can give us one or two respectable photographs of the mine, it will be a great convenience to us. Before the mine came into our possession I had heard of it from some friends in California. I trust you will see your way clear to give us these views, at which we would be very much pleased occasionally to look, as well as to receive the dividends you send.

The CHAIRMAN. We have a beautiful photograph (holding it up) of the outside of the mine, but I really don't know that the shareholders care much about it. It would cost a very considerable amount to print 2,000 copies. However, we shall be very happy to incur the expense if shareholders wish to have these views. [Cries of "No!" from all parts of the room.]

It does seem to be an unnecessary expense. [Hear.] As regards the inside of the mine, we mentioned that we could send a map to you afterward when it arrived. When the map did arrive we found that it was of a character that nothing but a mining-engineer could well understand. It was printed, as regards the different floors of the mine, in colors. To reproduce this map in colors, we found, on inquiry, would cost nearly £50, and we thought it hardly advisable to spend so much money in distributing a thing which, when the shareholders got, none but those having a practical knowledge of mining could understand. The shareholder who made the request, or any other, can see this map at any time at the office. It is perfectly clear when properly explained. The different colors represent different floors on which certain operations have been conducted.

A SHAREHOLDER. As you allude to the expenses of this little map, when I called at the office to inspect, I may mention that the same morning I did so, I received from a company who proposes soon to come into existence, maps costing as much and possibly more than what you state. Many of the things these "bears," or "brutes," if you like, send, are not sent for nothing.

The CHAIRMAN. No doubt they are sent to you for nothing, but they cost somebody something. I suppose that forms part of the large promoting expenses which come upon companies.

The SHAREHOLDER. I wish to ask a question, whether the 2,800 tons that were stated in the prospectus to be already in transit to England have been actually received from the vendors, or whether a part of the payment in money has been made in lieu of the ore deficient of that 2,800 tons; and if so, I wish to know under what circumstances the 2,800 tons was not delivered, but partly paid in money. That is one question. I have another one to ask also, which is, why my circular states that 5,180 tons, including, I suppose, the 2,800 tons received from the vendors and already extracted from the mine at that time, leaves 2,380 tons raised by the company in six months. Dividing that by six, you will find 393 tons raised per month since the mine has been in the hands of the company, which, at the estimate of £25 per ton, would realize £8,825 per month, or nearly £7,000 less than the monthly dividends paid away I should like that question to be answered too. There is also another point, which is that the directors stated that the smelting-works were forthwith to be erected, at the cost of about £10,000, and now it appears it is a matter of uncertainty whether smelting is practicable or not.

The CHAIRMAN. As regards the 2,800 tons, I think the shareholders must have gathered from the circulars we have sent out that there were 1,000 tons deficient, which, of course, the vendors were bound to make good to us, and they pay us £28,000 in money for that.

The SHAREHOLDER. Was that the money put down in the circular as ore sold at Utah?

The CHAIRMAN. Yes. We understand that the reason for that was that the vendors during the time the negotiations were going on here—they lasted for a number of months—went on selling and smelting certain quantities, details of which we did not exactly know, but we considered that if they made good to us any deficiency of that 2,800 tons we had no reason to complain.

The SHAREHOLDER. My object was to assure the shareholders that that amount of ore had been raised from the mine by the vendors.

The CHAIRMAN. We cannot tell as to that. It is surely sufficient for this company if we get the money-value of it. If you mean by the question to throw doubt as to the possibility of the mine having that amount of ore in it——

The SHAREHOLDER. Oh, no.

The CHAIRMAN. I can only say that I examined carefully what the mine had done previously, and the quantities it was capable of raising. These were enormous Professor Silliman's report speaks as to the quantities of the ore. These are so enormous that I never thought it was worth while to inquire whether it was possible that this 1,000 tons could or could not have been raised. I do not think it was material whether they were raised or not, so long as we get the money for them. As regards the long explanations the shareholder made, I think I have sufficiently answered him in the statement of what has been produced during the winter—2,414 tons was the total amount produced from the mine. Divide that by six, as the shareholder did his sum, it gives an average of 400 tons, which would be £10,000 sterling per month. It takes nearly £15,000 per month to pay our dividends; therefore, during these snow-storms and winter months, we have not had enough to cover our dividends. Surely the snow-storms constitute a sufficient reason why the full amount has not been raised. It was utterly impossible to work during that time. There was no place to put the ore even if it were taken out, and consequently it was no good to take it out. The number of miners was reduced so that at one time there were only 14 men in the mine, simply because there was no good in taking it out. We have not the slightest doubt that in the good weather we shall far more than make up any deficiencies of that sort.

A SHAREHOLDER. I have no doubt either of that, except I believe it states that no payments will be made *ad interim* or other dividends except out of profits.

The CHAIRMAN. No dividend has been paid except out of profits. No dividend can be paid out of capital in any other sense than that every dividend that is paid out of a mine is paid out of capital, because the ore of the mine and the stuff that is in it is your capital. Therefore, everything you take out of your mine you are, to a certain extent, reducing your capital—reducing the quantity in the mine, because there is no mine that is entirely inexhaustible, and in that sense any dividend-paying mine is paying out of capital. But otherwise we are not paying any dividend out of capital, because we had no capital to pay a dividend out of. The capital of the company was the purchase-price of the mine. We paid it all away, and therefore we have no money to pay you dividends with, except what we receive for the ores we sell in Liverpool, and you may rely upon it you will get nothing unless you get it from that source.

The SHAREHOLDER who had before spoken. That is all very well, but that is not profit, for all that. I do not dispute at all the point that it was perfectly right to pay those dividends in the way you have, but it does not seem actually to come out of the profit which was put down in the articles of association. It is certainly not profit.

The CHAIRMAN. If it is not profit, how do we have it?

The SHAREHOLDER was understood to say that the company got £46,000 in cash balance of the old sales of the company in London.

The CHAIRMAN. Yes, that is right. We did get that, and it was equal to three months' dividend; therefore it is only the other three months that have come out of the actual ore sold by us. As regards the remaining question, that the shareholder asked about the smelting-works, he seems to complain that the directors have not instantly carried out what was suggested in the prospectus, the immediate erection of smelting-works. I do think we would have acted very rashly and foolishly, indeed, if we had on the mere suggestion of the vendors gone and spent your money in erecting smelting-works before we knew whether it was a better thing to smelt the ores there than to bring them home. I think we only exercised a little prudence in withholding our decision till our deputy chairman, who is a professional smelter, had gone out to the mine and inspected the ores and facilities for erecting smelting-works and for working them, before we spent money in erecting works which might have afterward been useless.

The SHAREHOLDER. Quite right, Mr. Chairman. I think that the board exercised their discretion very properly, but I think it ought not to have been put in a pro-

pectus—[uproar]—it ought not to have been put "forthwith," when they were actually not in a position to say whether it was practicable or not.

Mr. KEMP, (a shareholder) It seems pretty clear that it was impracticable, when the snow was ten feet deep in the mine and when our officers were in the midst of storms such as they have never had out there before. The time to erect works, if such were the ultimate decision of the board, is when the roads are good and the weather is fair. It could not be done under the circumstances indicated, with the thermometer down to zero.

A SHAREHOLDER. Can the chairman give the meeting any information as to the estimated value of the reserves already discovered in the mine?

Mr. W. PARE. Mr. Willyams will be able to answer such a question more satisfactorily than the chairman or any other members of the board. I hope before you break up to-day to know to what future time we may adjourn in order to meet Mr. Willyams.

The CHAIRMAN. I will very willingly answer the question about reserves, as far as I can. In Professor Silliman's original report, the reserves are estimated at 13,000 tons of first-class ore. In his second report he stated that there had been discoveries of over 12,000 tons of first-class ore, and only 1,000 tons had been taken away during the working. All the ore we had got from new explorations, with the exception of that 1,000 tons taken from the reserve; that brought us to 24,000 tons of reserve, and in his third report he spoke of 8,000 tons newly discovered; that is, in all, 32,000 tons of ore or £800,000, without taking into account any second-class ore, or the more recent discoveries; so that, even throwing aside all the second-class ore, which is enormous in quantity, and dealing only with the first-class ore, we know of £800,000 of ore, and we do not doubt that the discoveries since are worth quite as much, and, perhaps, a great deal more.

A SHAREHOLDER. May I ask whether that £800,000, which you say is in the mine, was what we gave the £1,000,000 for to the vendors?

The CHAIRMAN. No, certainly; you gave your million for a great deal less—you gave your money a long time before the whole of that had been discovered. If you would only study your prospectus and the documents we send you, you would get a great deal of information that you do not seem to have. By the prospectus it appears that we were getting what was valued by Professor Silliman in his report at about £600,000 of stuff, actually seen and measured, and therefore we were paying £400,000 for prospects over and above that; since then the discoveries have improved those prospects immensely.

A SHAREHOLDER. What prospects have the directors of continuing the present dividends for the next few months?

The CHAIRMAN. I think we have prospects of continuing it for about a year without any trouble, and long before that I expect we shall be able to increase them or give you some very handsome bonus in addition.

Mr. HIRAM JOHNSTONE. I would like to inquire whether Professor Silliman has ever been employed by this corporation, and paid by this corporation, for the several reports which he has made, some of which have been read at this meeting; or is it not true that he was both employed and paid by the vendors?

The CHAIRMAN. It is perfectly true he was paid for his original report by the vendors. We considered that that was a part of the preliminary expenses of the company that we did not choose to pay; and, therefore, I think very properly that that expense was thrown upon the vendors, but it was explained at our last meeting by Mr. Park, who will be happy to repeat the explanation to-day, that Professor Silliman had not been employed by the vendors.

Mr. HIRAM JOHNSTONE. He has made no less than four visits during the six months of this company's existence. Four several representations have been laid before the shareholders of this company. Now, if the original report was paid for by the vendors, which seems to be admitted, will the chairman give me and this meeting some information as to the three following reports, who employed Professor Silliman to make the second, and third, and fourth, and who still employs and pays him?

The CHAIRMAN. Professor Silliman has only paid one visit to the mine since it became our property. He staid there for some time, and the report read to you is the result of that visit. The report circulated among the shareholders previously was sent at the beginning of the visit, and this one was sent at the end. For that visit the company have not received any account as yet, and certainly have not paid any money.

Mr. HIRAM JOHNSTONE. I would like to ask the chairman how many thousand pounds stand to the balance of this corporation in its banking-account to-day.

The CHAIRMAN. I have no objection to answer that; £27,000 in our banking-account, and £37,000 to receive from Liverpool. I have not looked at the bank-book for several days, (producing it.) On looking, I find the amount in the bank to-day to be £20,300, and that £38,000 is still to be received from Liverpool. That is £58,000, and £58,000 represents four months' dividends.

enterprise and against the vendors had been created up by an examination to
by Mr. Willyams, as your director. I said when that examination shall h
made, and when every statement made by the vendors and in the prospectus s
been fully verified, then I will make arrangements to make such dispositio
shares, which I intended to do under my contract, as to enable them to get a q
I made a statement at the last shareholder's meeting of which I will remind
At that time we had a cable dispatch from Mr. Willyams, as to his examinati
mine and its results; and I wish to say this, further, just before I leave, that if
had shown anything like what it shows now at the time it was offered to th
public, it never would have been offered for £1,000,000, and I stated then, t
every statement had been verified by the director sent over by the English b
if any gentleman was dissatisfied with his purchase all he had to do was to r
shares to me. No one returned their shares. Since that time the shares have
about £10 a share, and they ought to advance more than four times that, beca
shares were worth £20 as put on the market then, they are worth four tim
put on the market now. Now that is assuming that you can believe the r
are getting.

Now, despite the reports of Professor Silliman and Mr. Willyams, there is s
remarkable that all this "bearing effort" to put down these shares in the mark
have been greater than which probably any other single mine has been sub
All who have ever heard of the Emma Mine, and particularly all who have
it, have only given to it a character that is consistent with every report.
the mine that any one of you have ever heard of in the street about which
stories are told, or that has been the subject of so many of the circulars that h
issued by the Hiram Johnstone people? Where, I would ask, has the mine bee
ered about which so much reliable information has been furnished—informati
has been fully confirmatory on every matter that has been stated? As to Prof
liman, I never saw that gentleman in my life down to the present time. I k
by reputation, and when any imputation is cast upon him in an English a
comes with very bad taste from any gentleman who casts that imputation.
Silliman has a reputation in the United States second to none as a scientific
honorable man, and he holds as high a position as any learned or distingui
occupies in England. His reputation is not confined to the United States, b
world-wide reputation. He stands high among the literary and scientific me
land as well as in America. He holds an eminent position in Yale College,
not for any amount you may pay him going to make a false report that wo
him and his reputation for life. Therefore when these imputations are cast up
like Professor Silliman I will not insult his reputation or the country to whi
longs by denying any such charge that shall be made. "Who employed Profe
man?" is the question put. Does any one suppose that he would make a dif
port because he was paid for his services by one man or another? He has a r

Was Mr. Willyams the proper man to send out? You know him better than I do. I have only known him a few months. He was one of the earliest purchasers of ore of the Emma Mine; the largest purchaser in the concern of which he is a member. He has experience not only in silver, but in other mines, and therefore he was thought by the directors fitted to make an examination of the property. He may have done badly, too; who knows? A gentleman accompanied him, Mr. Lawrence, a man of high character and literary attainments. He is known to us all as the author of Guy Livingstone. He went out on a trip there, and is about to write a book of the place, and particularly of the Emma property, which the shareholders will have the pleasure of reading in a few weeks' time. He was also on this expedition, during the progress of which they met another gentleman, an Englishman, so that there were three Englishmen, and they staid there a long time. It is true they made but two reports, and in the mean time they went to San Francisco to investigate into the matter connected with the transit, the tramway, and smelting, and when they returned it was to see the result of the new explorations; that result aroused their astonishment, as it aroused mine, and therefore they gave us another report. There were some other reports that I heard which were more satisfactory to me, as a shareholder, than any other. Immediately after the first examination that Mr. Willyams made out there, he sent back a dispatch ordering 500 shares to be bought for him on the market, no matter what the price was. They were purchased; this is within my own knowledge. After the second examination he sent on a second order for 500 more, and they were purchased. Men don't put their hands in their pockets for £25,000 unless they know what they are about. Mr. Willyams was on the mine, and that is the explanation. Mr. Lawrence telegraphed from Salt Lake, to purchase shares for him. Another gentleman, similarly circumstanced, invested £10,000 in shares at £30 a share. If all those who saw the property were purchasers of shares to the amount of their means, I would rather have such testimony as that than the reports of half a dozen ordinary men as to their value. What are these new explorations, and what is the value of them? You must know that in a mine the natural question to be asked is, have you a pocket, or a deposit, or a true vein? I have not seen the mine for nearly a year, and therefore of these new explorations and discoveries I have no further knowledge than you had. I have tried in every way to obtain it, and it has all been of one way. When I purchased the mine, the total working length was less than 100 feet, the depth was less than 100 feet, except one tunnel that was driven down for exploring purposes; since that time they have explored in length (to show its extent) for 220 feet beyond that, and in depth for 100 feet, and now this tunnel that was spoken of at the close of Professor Silliman's report opens up what was virtually a new Emma that contains more ore than all the original Emma Mine. Therefore that discovery is most important, and I may explain it to you. The speaker did this by means of a rough diagram without which his remarks would be quite inexplicable to the reader.) He continued: This last exploration may be continued three or four hundred feet farther. I have been, as I said, more disappointed than any other man. I probably thought less of the mine than any other man who has seen it. These recent explorations have demonstrated to me, to a certainty, that the mine is a true vein, and not a deposit. They have worked, of course, as all mines are in limestone, but they have gone to a depth that has demonstrated it to be a true vein. In other words, there never was a mine discovered in the world that they have followed the vein to the depth they have followed this, and to the extent that it has turned out to be a pocket, or a deposit, and if this is one, then it is an exception to any mine ever discovered in the world. That is the real thing the shareholders want to know. What have you got in; what did you get out? Have you bought a shell or a genuine mine? Have you merely got a deposit that may be worked out in six months, or have you in sight ores that will yield dividends for years to come? These are the questions to which the directors have been directing their attention. They have continued this prospecting and developing until they have shown and demonstrated to the satisfaction of themselves that this is a regular true vein that is likely to last as long as any man in this meeting is likely to live. Now the past history of this mine is striking because it is demonstrated that before it was put upon the market every statement that has been made relative to that is true. All the ores came to England consigned to two houses. It was easy to go to these firms and ask whether they received the number of tons of ore, and whether they yielded the amount named in the prospectus. The only other question is, what is its future? It is not what Hiram Johnstone says in the circulars he sends out to break down his own property, and put himself to unnecessary expense; it is not what this or that man may have said, but the real questions for you gentlemen to consider are its past history and its future history. "But you have not taken out so much ore as you might have taken out." You must, however, bear in mind that they have had such snow-storms as were never known before, and from the time this purchase was made and the mine put upon the market we have been delayed in the transit of this ore. "Can we take out the ore when the roads are open?" Last year, I was there just about this time. On the 9th of June, we sent over the first ton of ore; on the 13th of August, we sent over 100 tons of first-class ore, and that was the rate at which we

were sending over the railway every day, including Sundays. We can exceed that now, because the mine is better and the roads are in a better condition than they were last year. There was not half the quantity in sight ready to be taken out last year at this time that there is now. I say the roads will be in a better condition after the snow is brought away than they were last year, because we expended a considerable sum of money on them, and I am not only not disappointed at the amount of ore we have been able to send over, but am astonished that so much has been sent considering the block. For six weeks together no train went over that railway. The passenger train did not go over, and how could we expect to handle large masses at cheap freight when the railway was blocked so that passengers could not even get there for weeks together. The same is true as to the road. It is, as I say, only remarkable what we have done, and we may congratulate ourselves on having been able to move the quantity of ore we have. We have derived one advantage from not taking out the quantity we thought we should, for we have kept our miners at work exploring, and the result of those explorations is before us. Another point should be borne in mind by those who ask why we do not raise more ore so as to have it ready for transit. When that could be effected all the ore can be taken out that can be hauled by teams; but if there are 600 tons taken out our store-house will only hold 300 tons, and we have no storage-room for that purpose.

Where is the necessity of taking out ore if you cannot get teams to handle it on account of the state of the roads? I intend to leave England on the 11th, from Liverpool, and I congratulate you on having secured what I believe to be the best mining property ever put upon the English market, and if it had not been placed upon the market, and if the vendors had known anything of its present value, you would not have had it for the money. I know a great deal has been said in the circulars which have been issued. One says we paid pretty much all the value to the promoter, Mr. Grant; another says that Mr. Grant did not get it, but Park did, so we got it both ways. One man says that the mine cannot be worth the money, because Park bought it at some other time for less; therefore he must be a swindler. One-quarter of that mine was once sold for £20; the whole is now selling in this market at the rate of £1,500,000. What an enormous swindle! Afterward somebody was fool enough to pay at the rate of £20,000 for an interest in it, and then somebody else paid £150,000, and somebody else £300,000; and, last of all, the English public take it on subscription at £1,000,000, and it is now selling at the rate of £1,500,000. You that began by taking your shares at £20, and who can now sell them at £30, ought to consider yourselves all as swindlers! A shareholder wants to destroy his own property by issuing circulars, and in them are made many statements the falsity of which it has been my object to expose. I am going to leave you shortly, and after I am gone you will still find these circulars as thick as blackberries. I will just make one more allusion to them. This honest shareholder, who wants to destroy his own property in order to save everybody else's, says that Mr. Park stated in the court of chancery that he paid Mr. Albert Grant £200,000 for promoting this property, and for his services in that respect. Well, among other things, they commenced a black-mail suit against me. The vice-chancellor decided it was such; that that was the object, and turned the party out of court with that reprimand. They had me there ready to answer every question they liked to put, but they only called my attention to one or two points. One was, "Did you pay Mr. Albert Grant £100,000?" I did not mean to be caught, because I knew what they wanted; so I said, "What do you mean—for his services?" "Did you pay him £100,000?" "Yes." "Did you pay him £200,000?" "Yes." "How long since?" "Since last October. I now suppose I will have the opportunity of explaining." The vice-chancellor said, "Certainly." So I went on to say that I sold one-half of this mine for £400,000 in cash. That was my contract. The parties were to bring the mine out at their own expense, and I was to receive £500,000 in fully-paid shares, it being at the expense of the vendors. They selected Professor Silliman, and it was sold subject to a report from him. These parties being unable to comply with their contract, introduced me to Mr. Albert Grant. I did not seek him; I never knew him. He took this contract, by an arrangement with them, off their hands, and the mine was to be brought out for £100,000, and it was carried out not by their paying me down, but I was to be paid £400,000 for the one-half, and I was to receive the other in stock free from all expenses or charges. After this company was promoted, and the work had been done, and well done, I had an interview with him. Allow me to say that, although I know nothing of his connections with other concerns, he has dealt honorably with me, and honorably with the Emma property. I never knew a man more straightforward than him, but, as I say, I know nothing of him in other matters. I made my settlement with him and he settled with me fairly. Mr. Grant called upon me and stated that he had made less than 2 per cent. by the transaction. I had no knowledge of the verity of these figures that he showed me, but I believe them to be correct, and I do so now. He asked me for a further concession, which I granted him; this accounts for one £100,000; I will explain to you the other £100,000. In promoting all companies, even if they are Government bonds, it is usual, of course,

o keep them above par, and, therefore, you buy in the shares. Mr. Grant bought n 5,000 shares, and afterward sold at a premium on my account, and I paid him he money, £100,000, and afterward these shares were sold, and I received back he money. That I explained in court. This honest shareholder now comes in and says that I stated that I paid Mr. Grant for his services £200,000. That is the honesty and integrity of this sort of declaration. The directors had been asked: "Did Mr. Park act in good faith in offering 8,000 shares at £23 per share for the purpose of getting a quotation?" The inference would be that I had done so, while that was not the true purpose. If you have any complaint in regard to that, all I can say is I will give you the £23 a share back, and with a great deal of pleasure, but let me assure you that the true purpose was what is stated. You will, as I have said, find these circulars coming in floods after I am gone, for I do not propose to stay here to be catechised. If any gentleman in this room has a sincere desire or curiosity to learn anything in regard to this matter and will call upon me at any proper time and occasion, I will give him all the information he desires, and withhold nothing from him. As I said to the barrister who cross-examined me, I decline to answer such and such questions, but if you want answers for your own information I will tell you privately; I have no need to preserve any secrecy." It is a fact that in promoting this company I have made a large amount of money. If it had gone the other way and the reports were unfavorable I might and no doubt would have lost money. It is your good fortune who have purchased these shares at £20 to be able if you choose to sell them at £30; it will be the good fortune of those who buy them now at £30 to be able, as I firmly believe, soon to sell them at £40. So far as the negotiations are concerned there is nothing of which I am ashamed that the whole world should know. It has been a profitable operation for me. I came here for the purpose of making money, and having taken all the risk and the trouble I have succeeded. You will succeed after me as you have done already. I purchased, myself, last week, 500 shares at £30. I had only sold them two or three weeks before at £23. That is the way I swindled the shareholders there. I should be very glad to buy more at the same price. I am going to America, and when I come back I hope to find the Emma shareholders contented and cheerful. I issued a circular in answer to Hiram Johnstone's on the 22d, in which I said that if any parties doubted so much the value of this mine they could make the arrangement therein mentioned with me. Let these "bears" accept the offer. Some shareholders holding a few hundred shares have accepted it, but I would advise them to withdraw. I leave a gentleman behind me who will make that disposition of them should they not be withdrawn, but that is my advice to them. They would be very foolish to accept a proposition of the kind, but if there are any "bears" who do not believe in the mine, who want to give me these calls, I should like to have them, and I will take them also from the shareholders if they want to give them.

The CHAIRMAN. We receive regular telegrams from the mine, and we got one this week, which is as follows: "Shipped since last telegram 180 tons;" this means the amount sent away on the railway. "Raised 130 tons first-class ore this week; raised 50 tons second-class ore this week; 620 tons first-class ore lying at the mine; 100 tons at the railway depot; mine in good working order."

A SHAREHOLDER. When are we likely to get a quotation on the stock-exchange?

The CHAIRMAN. Our papers have been before the stock-exchange committee for three weeks. We understand a great many other companies are in the same position. The stock-exchange seem to have so much work before them, that they cannot overtake it for some time. We have not the slightest reason to doubt that the quotation will be given, but we cannot force them to do their work any quicker than they are disposed to do it.

The SHAREHOLDER. Have you complied with the rules of the stock-exchange that will warrant you in receiving that quotation?

The CHAIRMAN. Entirely.

Mr. WILLIAM PARE. Can you give us any information with regard to the adjournment?

The CHAIRMAN. I would almost require to hear from Mr. Willyams first. I should not like the shareholders to have another disappointment. If you will consent to the adjournment without naming a day, I will give you notice as soon as possible; I should think it would be in about a fortnight.

A SHAREHOLDER. I should like to ask Mr. Park one question. Did he sell any shares on the general market before he put the 8,000 shares in the hands of the directors to sell at £23 a share?

Mr. PARK. I sold a few, but not on the market, and I should not have offered these at £23 but for the understanding with the directors that I was under an implied pledge to this effect. I gave the 8,500 shares in accordance with that understanding.

The SHAREHOLDER. How many in addition?

Mr. PARK. A very few were sold at that time, and only to particular friends.

A SHAREHOLDER. Would it be convenient to the board to put down something like a monthly account of *what has been done?*

The CHAIRMAN. We give you a monthly statement, and we think that is sufficient to enable you to form a pretty good idea of what is going on, and if any shareholder wishes to come and see our books and get every information he wants he may do so by applying at the offices. We could not give a monthly cash statement, nor did I ever hear of any company doing so.

Mr. PARK. As Mr. Park has announced that he had to leave for America, I think I should state that, having listened to him on this and the other occasion very attentively, and having attended many meetings of this character and heard statements that have been made, I must say I do not remember ever in my life having heard a more explicit or candid or straightforward statement made by a director who was under what may be designated as a heavy cloud than that which he has made. He has presented himself here like a man on two occasions, subjected himself to all sorts of cross-examination, and not only that, but he stood on the floor of the court of chancery and did the same thing, and as Englishmen I think we are bound, before he leaves this country, to express an opinion of his character, and without any hesitation. Therefore I have great pleasure in moving that the thanks of the shareholders be presented to Mr. Park for his very clear and explicit statement of this day.

Mr. LEWIS BERNARD. I beg to second the motion.

A SHAREHOLDER. A word in regard to Professor Silliman. I hope it will never go forth to America that that name has been mentioned in a company of Englishmen in the way it has been.

A SHAREHOLDER. I think it is a very great pity we cannot keep Mr. Park among us. I am sure that shareholders as they hear him speak must feel the value of their shares increasing in their pockets.

The CHAIRMAN. I hope that if it does go forth to the world that Professor Silliman's name has been mentioned in the way it has, it will be remembered that the words came from an American, one of his own countrymen, and not from an Englishman.

The vote of thanks to Mr. Park was then carried by acclamation.

A SHAREHOLDER. I have known Professor Silliman for twenty years, and have corresponded with him on scientific matters since the year 1850, and I know that he is a man of the highest reputation in America. In fact he occupies the same position there as Sir Roderick Murchison, Dr. Ramsay, and others occupy here, with this addition, that he is a practical man, while the others are scientific and theoretical.

Mr. PARK. I return the shareholders at this meeting my thanks for the handsome way in which they have treated me, not only at our meetings but elsewhere. There have been a few who have issued circulars, but they have only been a little knot. Their number has not been large, and they have damaged themselves more than us, as I guess they will find out.

Mr. Clavering moved, and another seconded, a cordial vote of thanks to the chairman, which was carried unanimously.

The CHAIRMAN. I am sure your directors, with myself, feel very much obliged to you for your vote of confidence, which we shall endeavor to merit more, if possible, in the future than in the past.

The meeting then closed.

GEO. ANDERSON,
Chairman.

The chairman having answered the questions put by various shareholders, and explained the position of the company, as appears from the foregoing extract from the Mining World, and which is believed to be a correct report. Mr. Clavering moved, and another shareholder seconded, a vote of thanks to the chairman and directors, which was carried unanimously. The meeting was then adjourned until a future day convenient to Mr. Willyams.

GEORGE ANDERSON.

EXHIBIT C.

EMMA SILVER-MINING COMPANY, (LIMITED,)
VICTORIA BUILDINGS, QUEEN VICTORIA STREET, E. C.,
London, September 2, 1872.

The directors, in sending out warrants for the tenth interim monthly dividend, have pleasure in congratulating the shareholders on a decided improvement in the position and prospects of the mine.

The ore-account stands as follows:

	Tons
Stated in last circular	6,030
Raised since*	730
	6,760

* The telegram does not say if this includes the 230 tons received from the Illinois Tunnel Company.

	Tons
Forwarded to New York since last circular	520
Sold at mine*	230
Shipped from New York:	
Per China	30
Per Algeria	190
At railway depôt	240
At the mine	220

The following telegrams have been received, but have not been published, as they would not have been altogether intelligible without explanations:

AUGUST 23, 1872.

To EMMA MINE, LONDON:

Twenty-second, letter third received. See my letter fifth instant. Not able to get at our rich ore yet; raising fifty tons daily from new explorations; can soon increase to hundred tons, but it only samples fifty per cent. lead and seventy ounces silver. Reliable experts estimate sufficient quantity of this class of ore in one portion of mine alone to pay dividend two years, and estimate value of mine at two million pounds. It is a serious mistake to ship this grade of ore; it will not give you satisfaction, and on present yield of mine we can make one thousand dollars per day more by selling here than by shipping, and can get money to you in one-third the time. Have sold Illinois ore here for seventy-four dollars (gold) per ton of two thousand pounds. It assayed sixty-seven ounces and forty-eight per cent. lead. This is more than same ore would net by mill process if worked up to ninety per cent., hence it is better than same grade of free-milling ore. Quantity almost inexhaustible. Can produce seventy-five tons daily at small expense without straining mine. If unwilling to leave me discretion in dealing with these ores, I can't be held responsible for what I consider such great mismanagement. Answer.

HUSSEY.

AUGUST 23, 1872.

To EMMA MINE, LONDON:

Just arrived; go to mine to-morrow. Fully agree with Hussey in selling low-grade ores on the spot, and strongly advise it; saving of over four pounds per ton.

STANLEY.

AUGUST 25, 1872,

To EMMA MINE, LONDON:

Twenty-fourth. Found water below eighth floor, and decreasing; examined new explorations. Amount of ore exposed immense; averages eighty ounces. New shaft in full work; tunnel circumnavigating cave on track-floor completed; rail laid ready for delivering first-class ore in seven days; all working most zealously. Cañon road very bad; large force repairing by subscription. By comparing with Liverpool prices, find we can save thirty dollars gold on first-class ore by selling here; strongly advise it.

STANLEY.

The quantity sent away from the mine has not been so large as the extensive production (now reaching nearly fifty tons a day) would seem to warrant; but, as will be seen from the letters and telegrams now published, that is owing, in part, to the first-class ore in the upper levels now working being of a lower standard than that of the lower levels, and in part to a new feature in the development of the mining industry of Utah, by which a market has been opened up on the spot for such ore at prices that will realize a considerably better result than was possible under the high cost of transport to Liverpool. The directors were unable to sanction this change until they were in possession of full details; but they have now sanctioned it, as they are of opinion that it not only gives them a better market for medium ore, but that it opens up to them the prospect of realizing the large accumulations of second-class ore.

The directors think it only fair to Mr. Hussey to publish his explanation of the reasons why they were kept without information during the critical period of the inundation. His instructions were, as he states, to consult General Baxter in cases of emergency, as being nearer than the London board; but he had also instructions at the same date (16th December, 1871) to telegraph at once to the board, if anything unusual occurred at the mine. He followed the first part of these instructions, but overlooked the second; certainly from no want of zeal for the company's welfare. It is also true that he cabled for leave to employ, at a large salary, a firm of solicitors who afterward became lawyers to the enemy; but he had unfortunately never stated that any one was giving trouble, nor had he given any reason to justify the directors

* The telegram does not say if this *includes* the 250 tons received from the Illinois Tunnel Company.

in making such appointment at such expense. The directors are satisfied that during the difficulties the absence of information was the only ground of complaint, and everything that could be done on the spot was done with great skill and judgment, both by Messrs. Park, Hussey, and Stewart and by Mr. Silas Williams and the staff at the mine.

Extracts from some other letters follow which the directors think will prove of interest to the shareholders.

The directors have pleasure in intimating that Sir Charles Wingfield, K. C. S. I., C. B., M. P., has joined the board. The chairman sailed for New York on Saturday.

By order:

W. H. TOOKE,
Secretary.

OFFICE OF THE EMMA SILVER-MINING COMPANY, (LIMITED,)
Salt Lake City, Utah, July 27, 1872.

MY DEAR SIR: Your esteemed favor of 15th June came to hand just in the midst of our fight with the Illinois Tunnel Company, at a time when my entire time and attention was taken up day and night by that matter, so I delayed answering you until I could get that load off my mind; and although the injunction was issued some days since, there has been so much to do to get possession and get under full headway again, that my time has been fully occupied attending to it up to this date.

I presume Mr. Park has written you fully, and we have all cabled you concerning the suit and the result of it, and what a decided and complete victory we gained. It has been a source of the greatest anxiety to me, and it gives me the greatest pleasure, I assure you, to say that the result was all we could possibly wish, our title and the United States patent being fully sustained. The papers containing the judge's decision, the final order putting us in possession, &c., having all been duly forwarded to you, I can give you no further news on that point, and will pass on to a direct answer to your letter, after saying that things at the mine are being crowded rapidly, that the amount of ore in sight in the new explorations is simply immense, and that the mine never promised at any time as well as it does now.

I regret exceedingly that you had to find fault with our course here. In all important matters concerning the mine and its management, I have always heretofore been referred to Park and Baxter. This Illinois Tunnel Company have been annoying us for some months past by breaking into our works from their tunnel, and endeavoring to get possession, (but all the time claiming they wanted no trouble with us,) until both Mr. Williams and myself were thoroughly tired of their continued annoyance. We were at a large expense keeping men guarding our property from them, and it was apparent to us here that the matter would continue to annoy us until it was litigated, and they restrained by an injunction from further molesting us. Of all this I had written General Baxter fully, and had cabled the company, urging them to employ an attorney here to aid us in the matter at once. The company did not see fit to employ counsel, but finally cabled me. The matter was referred to Mr. Park. Both Mr. Williams and myself supposed Mr. Park would visit us soon after his arrival in New York and arrange these matters, but instead of coming out, he wrote he would not be here until fall. The water was coming in on us, something we had never had before, the timbers in the mine beginning to give way, in spite of all the strengthening and supporting Mr. Williams's crew could do, and the annoyance from the tunnel people was unceasing. Just at this time the timbers gave way and the mine caved in, which seemed to us the finishing stroke to our troubles.

My telegrams to you about attorneys being either entirely ignored or referred to Mr. Park, and my letter of instructions telling me in all important matters to consult with Messrs. Park and Baxter, Mr. Williams and I concluded that I should go to New York at once, lay our situations fully before Mr. Park and get instructions from him.

We could not cable you anything definite; it was impossible for Mr. Williams to ascertain damages. We did not wish to needlessly alarm you, and concluded to say nothing to any one about what had happened until I should reach New York. By that time I hoped to have information, by wire from Mr. Williams, as to extent of damages, and then, with Mr. Park's assistance and advice, be enabled to cable you to some purpose and give you some definite information. Of course, had we known that the matter would have been so magnified by outside parties, we should have done differently; but it was impossible for us to see this, I am sorry to say, and as we looked at it it seemed best for me to go to New York, as I did. All your cables to me were repeated to me in New York and promptly answered by me there, but in cabling you I could give you almost no definite information, because we could get none ourselves. It was easy enough for Almy & Dalton to make up cables, putting the thing in any shape they chose, as it was a matter of entire indifference how far they missed the truth, as long as they made matters look badly enough; neither of them were within thirty

les of the mine, and guessed at all the information they got. And though, in all this ıe, Mr. Williams with his force of men had been doing his best to effect an entrance the mine through the *débris*, and ascertain, as nearly as possible, the extent of dam- ɜ done and the situation inside, by the time he got through to the uncaved portion the mine the Illinois Tunnel people had been in *quiet possession there for over a week*, d had us barricaded out of that portion of the works. So they *really had this infor- tion a week in advance of us*, although we were on the ground all the time; but the ormation was cabled you promptly as soon as I had it. As our men were driven out an armed force, our facilities for getting information were limited until the court us in again. Had I cabled you every day after my arrival in New York I could ve given you no more information than I did, which was all I had or could get. Of is I wrote you fully from New York. We certainly did not consider we were "bot- ng up any bad news." I note your requests carefully, and trust I understand your ıshes, and hope for the future I will be enabled to entirely meet your views.

All these matters have been fully canvassed by Colonel Stanley and myself, and, on s return, he will be able to post you fully.

Very respectfully,

W. HUSSEY.

GEO. ANDERSON, Esq., M. P., *London*.

NORTH BENNINGTON, VT., *July* 24, 1872.

DEAR SIR: I returned this morning from Salt Lake, and take the first opportunity) give you an account of the affairs of our company.

I left New York four weeks ago, and up to the time I left I could learn but little as) the extent of the damage to the mine from water and the cave, and on my arrival here found no one could, or did, know what the damage really was, as the mine was) filled with water that it could not be entered until about the time I left New York.

Before I left New York I had heard that the Illinois Tunnel Company had taken ossession of a large portion of the mine, and were holding it by force. We employed udge Poland (one of the first lawyers in the country) to go out with us; Senator tewart and Colonel Stanley went out also.

On our arrival at Salt Lake we found our local attorneys (Hemstead & Kirkpatrick) ad already prepared the papers to take proceedings against the Illinois Company. Ve arrived on Monday evening, and Tuesday morning we procured from the chief- ustice of the Territory an order on defendants to show cause on Friday why an in- unction should not be granted. On Friday the defendants appeared and asked for ime to prepare their defense, and on their stipulating that they would not work the nine or remove any ore, they were given until the following Thursday, (six days.) On ny motion, the chancellor agreed to visit the mine on the following Monday, in com- any with the parties' counsel and the witnesses. On Monday we all visited and ex- mined the mine and the defendants' tunnel. On Thursday we commenced the hear- ng, and concluded it on Friday evening, and on the following Tuesday the chancellor endered his judgment, and on Wednesday the injunction was signed. The opinion nd the injunction were printed, and copies sent you.

There were but two questions:

1. Did our patent convey to us 2,400 feet *on the vein wherever it might run*, or were we onfined to the vein on the *surface-survey?*

2. If we owned 2,400 feet on the vein, were the defendants on the vein?

As to the first question, *there never was any doubt.* The act of Congress provided for granting so many feet *on the vein, with all dips, angles, and variations, although it might enter the land adjoining.* The patent follows the wording of the act of Congress.

Before the act of Congress was passed, under the mining-laws, a party owned the rein, even though he made a wrong description of the surface-ground, and Congress used the words of the mining-laws, and added to them (to make it certain what was intended) the words, "although it enters the lands adjoining, which shall be sold subject to this condition."

Our title is *perfect* to 2,400 *feet on the vein*, wherever it may run to, and *no court will be found in this country that will hold otherwise.*

On the second question there was a conflict of evidence, but there was *no doubt as to the fact.* That the defendants were on the vein patented to us is as certain as that here is a street from your office to the Bank of England.

There are no less than six drifts connecting our old workings with that part of the ine in possession of the defendants. Three of these drifts—fourth, sixth, and ghth floors below—were under water when we visited the mine, but were run the hole distance in ore until they were under the works of defendants.

The first floor and the fourth and seventh floors above were open, and we went rough them. They all showed *a perfect vein-connection.* It is true that on the

fourth and seventh floors above, there is, near the old workings, 20 or 30 feet of the vein partially filled with barren material, such as is seen in different parts of the mine, but there was in this more or less ore all the way. It is not necessary for us to follow the vein in more than one place, and it is not necessary that the vein should be filled with ore. No matter if there is no ore, if there is a vein; but we have six connections, and all of them show ore all the way.

After the defendants had served us with their affidavits, and I saw they had testified that there was no ore-connection on the fourth and seventh floors for above 20 or 30 feet, I telegraphed Mr. Williams to mark off that portion of the drift they claimed to be barren rock into spaces of two feet each, and take a sample of ore from each space, and have it assayed, and bring the proof.

I knew I was safe in this test, as I had seen the ore all the way, and pointed it out to the chancellor. Mr. Williams made the test as I directed, and the result was that he found ore all the way, the lowest assay being $75 per ton, and the average $151 per ton in silver.

The defendants' witnesses testified to what they knew was false, and we could prove it by as many persons as would examine the mine; it does not require an expert.

The defendants' witnesses did not pretend that there was no ore-connection on the first floor, but entirely ignored that floor, or did not seem to remember it.

I wish to say to you that our title to the mine in possession of the defendants (now in our possession) is just as perfect as any person in England has to any property, *and it will always be so decided.*

The defendants know they have no title, but thought we would buy them off at a large figure, considering the great value of the property; and as soon as I arrived at Salt Lake they approached me, and every day used their best endeavors to make a sale. They first asked $750,000, (£150,000,) then £100,000, then £50,000, and then £25,000, and I have no doubt at the end would have taken £5,000. I answered them every time that we would not pay one dollar. We owned the mine, and did not intend to purchase it a second time at any price. We would not compromise or submit to blackmail.

I am satisfied the course I pursued was the correct one, and that this will be the last attempt to interfere with us. We have commenced a suit to recover damages the defendants have occasioned us by taking possession of the mine, and we shall recover all we can prove. We have prosecuted, criminally, for the assault committed upon our foreman, Mr. Pascoe, and will bring a suit for him for private damages. I shall attend to all these cases myself, and be *certain* the cases are properly attended to.

I am particularly anxious that no shareholder shall have fear as to title to the whole 2,400 feet of vein *wherever* it runs, or that we own the large body of ore the Illinois Tunnel had taken possession of.

After we had obtained our injunction, the defendants wanted to sell me the Illinois Tunnel at its cost, and they would convey all their rights. I consulted Mr. Williams and Pascoe, and became satisfied the tunnel was worth but little to us, and declined to purchase.

We might use the tunnel to take out ore temporarily, but after we get the connections open below where it has caved in, it would be of no use to us whatever. The Cincinnati and Magnet and Monitor Mines, claimed by defendants, are worth nothing unless they should prove to be on our vein, and if they are we own them already.

The Illinois party had taken out and sacked 150 to 200 tons ore, but had not removed any. If they do not give this ore up, we shall take it by replevin. I gave Mr. Hussey full instructions, and had the papers prepared for a replevin if it became necessary.

On my way home I received telegram from Hussey saying it was rumored in England that the Illinois party had appealed.

No appeal can be taken from the order of injunction. But after we have recovered judgment in our suit at law, (which is to be tried before Judge McKean,) the defendants may appeal to the supreme court of the Territory, and afterward an appeal can be taken to the Supreme Court of the United States from the supreme court of the Territory; but we are safe in that court on all the questions that can arise in this case.

The whole community in Utah, except the parties opposing us, are with us, and take a great interest in the case, as they know if we cannot hold this property no one has a title to anything. I could have raised volunteers enough in Salt Lake to have taken forcible possession of the mine if I had deemed it best.

Colonel Stanley was present at the hearing, and can give you every further information.

As to the mine, I can say that it never appeared as well as now, and while I expected to see a very large body of ore in sight, it went vastly beyond my expectations; and no one can be found who has visited the mine, friend or enemy, but will say the same. No representations that have been made, nor any report, but falls far short of the truth. If every shareholder could see the mine, the shares would be selling at £75 or £100 instead of £20.

Professor Hayden, United States geologist, in the employ of the Government,

ited that part of the mine in possession of the Illinois party just before my arrival Salt Lake, and pronounced the ore practically inexhaustible, and the mine the est valuable one in the world.

In the new explorations we have a vein over 20 feet thick at points, and at points uch more than that, and it is now in depth over 250 feet from the top to the bottom, l the way in ore increasing in quality as it goes down, and better at the bottom an at any point above, and no sign of giving out vertically or laterally.

You will have a plan of the mine sent you from Salt Lake, (copy of one we used on e hearing before the chancellor,) which will give you some idea of the extent of the serves in sight; but no one can tell what future explorations may show.

The damage to the mine from water and the cave is very slight, except as it delays e production of ore; £2,000 will repair the damage, and a portion of that is for achinery which will be of use in the future working of the mine. But little ore will e wasted or lost by the cave, and in a few weeks the mine may produce 100 tons of re daily.

When I left, Mr. Williams thought he would have the water out in a week, when he could be able to take some ore from the lower workings. Before the water came in he air had become foul, so that workmen could not work in the bottom, and Mr. Williams ran a drift to connect with the old shaft to give ventilation, and had the drift through the day before the water came in.

On account of the cave, new shafts for raising ore and new drifts to the ore have to e opened, which will take time, but each week the quantity produced will increase.

Mr. Hussey has had a large amount of timber cut for the mine, and says he will have sufficient this fall to last for two years. They peel the logs and allow them to season, and they are better than green, and more easily handled.

Mr. Williams has purchased some hoisting-works, which will soon be put up, and they can then increase the amount of ore from the shaft inside the mine. He will put up a whim from the new shaft, (up the hill from old opening,) and hoist ore from there until the works are complete below.

The road to the mine is in bad condition, which makes it necessary to pay $10 per ton for hauling.

I have not written before since I went to Salt Lake.

Very truly, yours,

T. W. PARK.

GEO. ANDERSON, Esq., M. P., *Chairman, &c.*

OFFICE OF THE EMMA SILVER MINING COMPANY, LIMITED,
SALT LAKE CITY, U. T., *August* 5, 1872.

DEAR SIR: I cabled you on 2d instant that we could save $15 per ton now by selling our ore here. Capitalists in Chicago and San Francisco have been building smelters and are short of ore. To get something to run on, they are offering prices away above what we can possibly get by shipping to London, and it would save the company from $15 to $25 per ton, saying nothing about waste, to sell here; we are now shipping, say, 40 tons daily, which would make a daily saving to the company of, say $600 to $800. This is quite an item, and I regret very much that your answer precludes the possibility of my taking advantage of it; you ordering me to ship all possible immediately.

When the Illinois Tunnel Company lost their case, Mr. Park, on the behalf of the company, accepted the following proposition from them, viz: That, instead of forcing us to replevy from them the ore they had taken from the mine during their occupation of it, they would turn it all over to me individually, not to the company, taking my receipt therefor, in which receipt I should bind myself individually to pay them the proceeds of the ore, (which I was to ship or dispose of at best rates,) less expenses incurred, in case they gained the suit. If they lost the suit the money was to go to the company. They now find that the ore (some 250 tons) will bring them some $5,000 more if sold here than if shipped, and they demand of me that I shall have it sampled here and bid on, and that they shall hold me liable for the amount that is bid on the ore here. Our attorneys inform me this they have a right to do, and I have been served with the legal notification to that effect. This ore I intended shipping you, as desired by Mr. Park, as company ore, yet separate, having you use it as yours at present until things are settled, and then it will be yours any way, as the Illinois Tunnel Company have more chance of being struck by lightning than of winning the suit. I shall include that portion of it which has been shipped from Sandy to me here, in my telegram of to-day as shipped, but it must remain here a few days to be sampled, and if the bids on it are higher than I know the same ore will bring in Liverpool, I suppose I must either sell it here, or get you to agree to stand the $5,000 loss on it (which I feel quite sure I shall make if I ship it) in case the company should lose the suit.

I regret very much the company will not sell ore here.* The water, contrary to our

* As before stated, sales at the mine have since been sanctioned and 230 tons have already been sold.

expectations, comes in very fast, and we are as yet unable to get at our best ore. The immense bulk of ore in the new explorations where we are now mining is not rich enough to ship—will probably only average some 80 oz. silver, and from 40 to 60 per cent. lead. This ore will only bring you some £23 in Liverpool for the ton of 2,240 pounds, which does not give you nearly the profit we could make on it by selling here. In fact, it gives the company but some $50 net per ton, whereas if sold here it would give an increase of from 33 to 40 per cent. over this. Of course it must be shipped if the company so decides, even if it brings no profit at all; but just now, when we at this end are doing our best to make everything go just as far as possible toward getting the company in funds again, it seems a loss to us which the company can at present ill afford. I may cable you further on this subject. You must also take into consideration that I could put funds to your credit from proceeds sales in New York before the ore would any more than get to Omaha, and from New York you could get it by wire in a day. On our rich ore we could not save so much by selling here, but you want ore at once, and we are compelled to send you the best we can get at.

Very respectfully,

W. HUSSEY,
Resident General Manager.

GEO. ANDERSON, Esq., M. P., *Chairman, London.*

NEW HAVEN, *August* 8, 1872.

DEAR SIR: I herewith inclose an editorial article on the Emma suit, published in the Engineering and Mining Journal of August 6, which is significant as coming from the editor, who is also commissioner of mines of the United States, and a perfectly independent writer, and a very competent authority on mining matters. I should suppose it would be satisfactory to your stockholders if you caused it to be reproduced in some of your influential journals where it will meet their eyes.

Yours, truly,

B. SILLIMAN.

GEO. ANDERSON, Esq., *Chairman, &c., London.*

"The Emma suit.

"The Emma Mining Company comes off conqueror in a suit instituted by it to restrain a rival company, whose workmen, last April, broke into the Emma works. This was the Cincinnati and Illinois Tunnel Company. When they made their appearance in the Emma, the workmen of the latter blocked up the opening, but shortly afterward the 'cave' in the Emma occurred, and cut the owners off from that part of their workings where their rivals had entered. When, after some delay, the fallen rock was penetrated, they found the Illinois men in possession of all that part of the Emma works, and the workmen of the latter mine were resisted in attempting to take possession of it.

"The Illinois men claimed that the ground on which they stood did not belong to the Emma Mine, but was separated from that vein by a clear space of about thirty feet, which was filled with barren rock. The present suit was then brought to decide the ownership of this part of the property. The Illinois men produced affidavits from some gentlemen who professed to be experts, and also from a number of discharged workmen, formerly in the employ of the Emma Company. These gentlemen went into the mine, and peering around in places where the ore had been altogether removed, declared that they found no ore. Measuring the foot-wall, they found it 30 feet wide at that spot, and assumed that, for that distance, there never had been any ore, and that the ground held by the Illinois people was accordingly separate and distinct from the real Emma vein.

"On the other side the owners of the Emma brought up men who had been constantly familiar with the mine during the time when that part of the ground was worked out, and who declared that ore had been taken out of every foot of the distance said to be barren. Assayers also went into the mine, and, taking samples from spots at distances of two feet along the whole width of the so-called barren space, found that all that rock carried silver, the lowest assay being more than $75 per ton. On this evidence Chief-Justice McKean declared that the testimony failed to prove any disconnection between the ground acknowledged to be the Emma Mine and that in dispute. He also gave expression to the opinion that the Emma Company had a right to follow their ore outside of their own surface-limits into neighboring ground, in accordance with the law which says that the patentee may follow the 'vein or lode, with its dips, angles, and variations, to any depth, although it may enter the lands adjoining, which shall be sold subject to this condition.'

"We have told this story as we find it in the summing-up of the chief-justice. The case is an important one. Owners of a tunnel-right are ousted by owners of a mine, the record of which is later than the record of the tunnel claim, from property of

:h both stand in physical possession. This is but a repetition of the lesson that a :ed States patent, once issued, neutralizes all claims which are not so secured. The ıel company did not, so far as we can learn from the judge's summing up, even er a prior claim to the ground. They did not say, it is ours because our record is oldest, and all ground that we can 'trace out' is ours by prior right. They based r demand entirely upon the proof that there was a break in the Emma ore beyond ch that company had no right to go.

We submit that this is the clear meaning of the law. The United States issues its ınt as a final decision upon the ownership of the mine which the patent covers. holder of the instrument is the master of his vein, no matter what its windings be. And this is the best condition of mining rights.

United States patents would lose their value if the mines they protect could still aken possession of by men who, a year or two before, had laid down an indefinite ıel claim to all the ore they could possibly find in the line of their tunnel. This ıel business, as we have before said, ought to be disposed of once for all by act of gress. If any man wishes to run a tunnel, and can point to a definite body of ore ch he expects to reach, he ought to have the right to that ore for the length of ; it takes him to reach it by reasonable diligence. But how many of the tunnel ms in the Territories have been prosecuted with what, by any stretch of the imag- ion, can be called 'reasonable diligence?' Not one in a hundred. Whoever exam- that country finds in every district tunnel 'stakes' marking locations that have er had a pick struck into them, or else have been seriously neglected. This style ining has not borne fruits sufficient to entitle it to the protection it enjoys. It is emely hazardous to the other, which we may call, in contradistinction, the straight- rard style of work.

We can but feel pleasure at the victory of the Emma Company in this case. What- r criticism that concern is open to on other points, it at least deserves the credit of ing worked its property with fair diligence. This is the only return the American ple ask for the free gift of their mining property, and to this they are certainly en- ıd."

EXHIBIT D.

EMMA SILVER MINING COMPANY, LIMITED,
VICTORIA BUILDINGS, QUEEN VICTORIA STREET, E. C.,
London, December 12, 1872.

he directors have pleasure in sending to the shareholders the following letter from r chairman, and the accompaning map:

LONDON, *December* 10, 1872.

ıe Directors of the Emma Silver Mining Company, Limited:

ENTLEMEN: As you have asked me to give you in a formal way, and for the satis- on of the shareholders, any additional information as to the condition and pros- s of the mine to that contained in my former letter, I have pleasure in doing so. hile at Salt Lake City I saw mention made in the newspapers of private commu- tions made by me to parties at home. Lest this should have been misunderstood, ; to state that all the time I was in America I sent no telegram on the subject of Emma Mine or its shares, directly or indirectly, to any one except the secretary of ompany, and I wrote nothing till I had previously communicated the information ıe secretary. Had I not been asked to go officially, I would have considered myself to do either.

ttle Cottonwood Cañon is a deep gully debouching on the Great Salt Lake Plain. ns about ten miles up into the middle of the Wahsatch Mountain range, and ends s. On each side rugged mountain-peaks rise 3,000 or 4,000 feet, while a rapid ım tears its way from side to side through an immense *débris* of huge granite lders. The rise from the mouth of the cañon to the mine is about 5,000 feet. From ; facts the difficulties of the road may be understood.

ese mountain-peaks seem all of granite, with the cleavage nearly perpendicular, ıs you proceed up the cañon you find the summits capped with a different forma- apparently a brownish limestone, which has been tilted back by the upheaval of granite, the limestone stratification lying nearly at right angles over it, and dip- into the adjoining cañon. It is only after the limestone is reached that any min- have been found; indeed, the mines are all clustered round the upper end of the n, which is a wide bay shut in by high hills, one of which is the Emma Hill. In hollow of this bay lies Alta City, built wholly of wood, and containing a consid- le mining, prospecting, and "mine-jumping" population, with its usual accompa- ınts. A few hundred feet up the hill is the Emma Mine, and not very distant are "North Star," the "Vallejo's," the "Titus," the "Flagstaff," the "Montezuma,"

the "Savage," and the "Davenport," all mines of some repute; but in addition to these the hill is studded with locations, pits, tunnels, and prospect holes, abandoned or in abeyance, as if it had been supposed that any one who put a pick into the Emma Hill was certain to find a mine of boundless wealth.

THE STATE OF THE MINE.

In my former letter I stated that our means of commanding the mine were altogether insufficient. I found that, with plenty of ore in sight, our means and appliances were such that the slightest hitch or accident at once reduced our out put, which could therefore never be kept up with any approach to steadiness. After visiting some of the California mines, this deficiency seemed more conspicuous. I can hardly blame any one, because, until the course of the vein was better known, it was not prudent to go to much expense in shafts, which might be in great part dead work. Moreover, the horse-whim inside the mine had been destroyed in the cave, and the hoisting-works were reduced to a hand-windlass for all the levels below the tunnel floor. A small steam-engine has now been placed there, and I expect is already at work, or nearly so.

I stated that the lowest level of all still contained water, and had not been cleared; in fact, both it and the Pascoe winze, which led down to it, were choked with *débris* from the flood. The winze is not yet cleared, nor does it seem worth while to do so, as this level can be got at from the old Mathews winze, with which a communication was made for ventilation just before the flooding. About forty feet of this low level had been cleared by the time of my second visit to the mine, and I got along to within thirty feet of the point at which it may be remembered Mr. Brydges-Willyams found very rich ore. The samples I took proved to be even richer—the richest, I think, that have been found in the mine, two of them running to $2,005 and $2,532 per ton. These were small samples, picked for richness, and by no means indicate the average of the vein, which was large and promising. Too much must not be made of them, but they give fair ground for the expectation that as we go lower we shall find our ore of a richer grade. I have left directions to clear out this level, and fully test the extent of the vein.

In order to get proper command of this part of the mine, and explore it to a still lower point, we have commenced an incline shaft to start from the bottom of the old horse-whim shaft, (now commanded by the steam-engine,) in a direction to strike the vein considerably under the lowest point reached by the now choked Pascoe winze.

To make this incline without interfering with other necessary work will take six months, but when completed it will give us greater facilities than we have ever had for increasing our output of rich ore, and for further exploring the vein in what seems to be its richest direction.

I have also left instructions for explorations to be made by running a drift from one of our floors, so as to cross the Illinois Tunnel in under it, in order to ascertain the extent and direction of the vein in that still untried ground. But all such explorations are to be contingent on being able to do them without interfering with output.

I understand I have been considered remiss in not having had cross-cuts made in all directions, and in not getting the mine surveyed by a practical engineer. That was certainly not what I went out to do, but I wish those who fancy it quite an easy affair would go out and visit the mine. I can only say one well-known mining engineer, after going through, said it was so big a thing it would take him a week underground to get materials for his report, and he ought to have $5,000 for making it. As no man's report would add a single dollar to the actual value of the mine, I saw nothing to justify me in throwing away £1,000 of the shareholders' money for a report which I am satisfied, even after more than a week underground, would still be to a considerable extent speculative; and besides, if a report is considered necessary, I think it should not be made till a good deal more exploration has been done.

The real difficulties of the mine arise from its situation and climate. The proximity of the highest peak of the Wahsatch range seems to cause more snow to fall there than anywhere else, and consequently all outside work gets greatly interrupted by it. Under such circumstances great allowance has to be made for the management. For instance, when I left we had to get a boiler taken up the cañon for the engine. We had to erect a new ore-house and make a wagon-road at the Illinois Tunnel in order to make it available for output. The constant snows they have had since *must* have interfered sadly with this work, and may be the reason why the production has not been up to our expectations, as the same weather that prevented their building the new ore-house would drive them away from the horse-whim shaft. When the above work is done I see nothing else to interfere with a full output unless it be the cañon road, and in all probability by this time they have the snow frozen and a good winter road established over it.

We have a long winter before us and a bad climate. With the experience of last year it is impossible not to be anxious as to possible interruptions, but I think all that now could be done has been done to guard against a repetition of last year's calami-

ies. The ground above us has been examined and made seemingly secure, and the last thing I did was to arrange for a more powerful pump than our present one, to be got and kept ready for putting in on the first threat of water. Last year we had no pump at all, so this risk may be considered thoroughly provided for. But if in spite of our precautions and our best efforts to keep up the ore supply an interruption should occur, the mine would not be really any poorer and the stock ought not to suffer.

While at Salt Lake I noticed with regret that our shareholders have learned to depend on the weekly telegram arriving every Tuesday morning with unfailing precision. and if there chances to be a delay of an hour or two the shares at once fall. Nothing could be more absurd than this. It should be remembered that its arrival depends not only on no overcrowd on the ocean cable, but also on prompt transmission over two thousand miles of land wires, which are far more liable to accident. I learned out there that small interruptions through storms, broken wires, and other trifling accidents over that great distance, are by no means infrequent, and that a small delay ought not to have a serious meaning at once attached to it.

SALES OF ORE.

In my last letter I spoke of improved prospects from the sales of ore on the spot. These were slightly checked by the tightness of the American money market, but seem likely to resume again. It is expected that within a year or two the Utah Southern Railroad will have reached coal-fields, and as soon as that takes place it seems to me highly probable that the neighborhood of Sandy Station will become a center of smelting industry, as ore from all the cañons on both sides of the Great Valley would conveniently converge there; and it now only wants coal to make it the cheapest point at which the smelting and milling of ore could be carried on.

At present the ore we sell goes to Chicago, Saint Louis, San Francisco, and other places, at very considerable cost of transport, which prevents our saving the whole of the carriage we used to incur in sending it to Liverpool.

I hope to be able to continue to sell all our ore on the spot; but we are quite ready at any time to resume shipments to Liverpool as soon as there is any advantage in doing so.

We have made contracts for 1,000 tons a month, for six months, of the ordinary ore we have been getting since the cave, running about 70 ounces to the ton. Also, for 300 tons a month for eight months, of ore exceeding 100 ounces per ton.

These contracts are at fair prices, according to the assay; they will greatly reduce the quantity we have to find a market for, and will help to secure the regularity of the dividends.

SECOND-CLASS ORES.

It has been said that the ore we have been taking out lately has been called "first-class," when it ought to have been called "second-class." The term "second-class" was applied to all ore which was thrown on the dump for future consideration, because it was not good enough to ship, and that formerly included all under $100 per ton. But the ore we had been selling out there up to the time of my departure, though only running $70 per ton, can be at once realized, and has therefore been considered within the "first-class" category. It is in reality a medium ore, not so rich as the ore from the old workings; but, on the other hand, it runs far more regular, and is better than second-class, and we can sack it almost as it comes, and add little or nothing to our second-class pile, whereas in getting our shipping-ore we had a good deal of selecting to do, which kept down our quantity of "first-class," and added largely to our second-class pile.

There is still no immediate prospect of realizing the large sum lying on the dump in the form of second-class ore; but if smelting goes on developing as it has been lately doing, I have not the least doubt that before long a good market will spring up for it, and at better prices than could at present be got out of it in any way. I believe it will gain its interest by keeping, and that though it would be very convenient to have the money in hand, its lying unrealized is not a thing that ought to cause any uneasiness.

LITIGATION.

On my arrival at Salt Lake I found that the circumstances of our litigation were considerably changed. The Illinois Tunnel Company, with whom we had been litigating, had sold their tunnel, their lawsuit, and all their rights and claims, to a new company, called "The Emma Hill Consolidated Mining Company," formed with a nominal capital of twenty millions of dollars, and the sole object of obtaining the whole of the Emma Hill. That company had also purchased a number of claims and locations in our immediate neighborhood of little or no value in themselves, but with large possibilities of annoyance to us by frivolous litigations which might have kept us in hot

perpetual, and we bought the tunnel, and so precluded appeal. Up to that had been our best policy to fight, and we did so, but the advantages to be sec the purchase seemed so great that we would have been sacrificing the interest company had we not bought, the board at home having appointed the direct were on the spot a committee with full powers.

The principal reason which induced us to entertain the proposal that we sho chase the Illinois tunnel was the fact that through it a more complete comma be had of that part of the mine whence we are now taking our chief supp that the horse-whim shaft, through which we had hitherto hoisted them, was, exposed situation, unworkable in winter, and we were in daily expectation of to discontinue it, which would have seriously diminished our output; indee little doubt the recent falling off is through our being driven from the horse-v weather inclemency before the arrangements for using the tunnel were compl I am right in this the diminution will be very temporary; while if we had not the tunnel it would have continued through the winter.

The other advantages secured by the purchase are, however, very import ends all possible appeal of the Illinois case; it prevents all those new sui could have been instituted through any of the other locations or claims hel Emma Hill Consolidated Company, as all are included in the purchase, and ha quit of these, we see no other point from which any important litigation can b pated, and we think it gives us a reasonable prospect of peaceful possession.

One other consideration influenced *me* a good deal. Messrs. Park and Stev vendors of our company, were both lawyers of eminence, (Mr. Stewart admitt best mining lawyer in the United States,) and accustomed to be paid very la have shown their loyalty to the company in a very liberal way. On both tr sacrificed all other business, took the arduous journey to Salt Lake, and r there several weeks, working very hard, and carrying both cases to a success They have done this entirely without fee, and have not even charged their t expenses, which must be considerable.

Were the company to have much further litigation it would evidently be tre on these gentlemen's liberality to expect a continuance of such services, thor lieve they would unhesitatingly grant them. If, however, such services h frequently paid for, more money than the cost of the tunnel would soon be doing it.

The price to be paid is that we forego the "damages" and pay $100,00 £18,000,) spread over next year in monthly installments. This amount is li than one month's dividend, and is a very small sum compared with the pr stake or with the law costs which might soon have been incurred in defendin being only 7*s*. a share, is absolutely trifling compared to the depreciation of t which continued litigation would cause.

ad while I was there, but it was evident that such repair could only be regarded as temporary expedient.

I was applied to by various parties for the company's aid in constructing a turnpike ad, a wire tramway, and a narrow-gauge railway; but declined to do more than ve a preference of traffic for a given time to the best scheme, if at about half pres- t rates, as it seemed certain that ere long some parties would proceed with some of ose schemes without requiring any capital from the company.

Some weeks afterward, in order to expedite the work, Mr. Park, Mr. Hussey, and I, our private capacity, and not for the company, allied ourselves with the parties we ought most likely to do the work well, and now the railway seems certain to be ere ng an accomplished fact. Already seven miles of rails have been purchased, and ese will be rapidly laid from Sandy to the mouth of the cañon, and in a few months at portion of the line will be at work, leaving the more difficult portion to be con- ructed in summer. (I may here mention that I expect to have a small amount of 0 per cent. bonds of this railway to negotiate on terms very favorable to the public; r should any of the Emma shareholders desire to have them, I would wish to give hem a preference.)

When the line is complete, the saving to the Emma Company, even on their present roduction, would be over £20,000 a year; while the advantage in safety and regularity f transport is of immense consequence to them.

On the other hand, even at half present rates, the line is likely to be very profitable o its promoters also, so that although the advantage to the mine first prompted us to o into the scheme, we do not think we have run any serious risk in doing it.

CONCLUSION.

This report would not be complete if I did not further mention the excellent assist- nce and counsel received from Messrs. Park, Stewart, and Hussey, and our efficient staff t the mine. Mr. Stewart and Mr. Hussey were with me on this second visit to the mine, nd Mr. Park would have gone but for illness. Everything that was arranged was fter anxious and careful consultation, both at the mine and at Salt Lake City, and I hink I am not claiming too much as the result of our meeting together there, when I ay that all the difficulties we knew of have been, more or less immediately, arranged or, and the position and prospects of the company are in every way better than they ere when I went out, particularly in the following respects:

Arrangements have been made for more efficiently working and exploring the mine, or getting out ore in larger quantity, and for guarding against such accidents as last ear.

Arrangements have been matured for the regular sale of the ore, and contracts have een made for nearly 9,000 tons.

Our title has been vindicated and strengthened, and the litigation that so damaged he stock of the company has been gained, its continuance on appeal ended, and all ther probable litigation prevented, at a price fairly compensated by the additional ccommodation of a new tunnel to the mine.

A railway has been commenced which in less than a year will dispose of the cañon- oad difficulty, give regularity to the transport of ore, and save the mine upward of £20,000 a year.

I trust that our shareholders will be satisfied with these results for the present, and I remain, gentlemen, yours, very faithfully,

GEORGE ANDERSON,
Chairman.

The accompanying map was prepared for use at the trial, and has been reduced in rder to facilitate its distribution among the shareholders, to give them some idea of he extent of the mine.

EXHIBIT E.

[Supplement to the Mining World, May 3, 1873.]

EMMA SILVER MINE.

The directors have forwarded us the following letter from Mr. Trenor W. Park, the endor, for publication:

NEW YORK, *April* 12.

o the Directors and Shareholders of the Emma Silver Mining Company, Limited:

GENTLEMEN: I have received the Mining World, of London, containing a report of he proceedings of a stockholders' meeting of your company, held on the 6th ult. I

ferred to. It will not be possible to answer general charges where nothing is s

In March, 1871, I for the first time visited the Emma Mine, and was so well with it that, notwithstanding the title was involved in serious litigation, I purchase of one-fourth interest. In July, 1871, I again visited Salt Lake to a the litigation in which the property was involved, and on that occasion again and examined the mine, and was fully confirmed in the opinion I had formed i of its great value. In August, 1871, we succeeded in settling the litigation and curing a patent from the United States, which made our title perfect. In Sep 1871, I went to London with United States Senator Stewart, with a view of sel mine. At that time I had seen the property but twice, (in March and July,) a stated.

When I offered the property in London, the parties with whom I negotiated r to have an examination and report of the mine by some competent and relial of their own selection, and they selected Professor Silliman for that purpose. I acquaintance with Professor Silliman, had never seen him, and did not even sug name. I knew of his high character and was satisfied with him. No further ste taken in the negotiations for a sale until Professor Silliman had made an examina report. The examination of Professor Silliman was made over four months aft seen the mine, and during that time important developments had been made. consequence the report of the mine made by him was much more favorable t report I had ever made of it. Soon after the report of Professor Silliman, your c was formed and became the purchaser of the property, and I received one-half purchase-money in shares of the company. In preparing the prospectus of t pany, every statement, so far as I furnished the information, was strictly tr history of the mine, the amount and value of the ore that had been produc can all be verified now. All the shares offered to the public were subscribed fo was left with half the shares on my hands. Soon after the company commen iness and the shares commenced to be sold on the market, all sorts of stories w and published about the mine for the purpose of depressing the stock, and I p to the directors to send one or more of their number to make a careful examin the mine, and I would pay the expense; it was finally decided that Mr. Brydg yams should go to America and make the examination. I endeavored to prev other members of the board to accompany Mr. Willyams, and proposed to pay penses of the whole board if they would go. I was quite anxious to return t ica, but I agreed to remain in London and not sell any of my shares until we had from Mr. Willyams. I did remain and sold no shares until Professor Silliman Willyams made their report in March, 1872, which was even more favorable t report made by Professor Silliman, in October previous, and so well satisfied Willyams with the correctness of his report, that after it was made he ord cable, 500 shares twice, to be purchased for him, making 1,000, above par.

After the examination and report by Mr. Willyams I sold most of my shar

any cases shares were not transferred on the books until weeks after I had sold them. When I left England I instructed my agent not to sell at the prices that were then ruling, (about £23,) as I expected, from the reports of the mine, a large advance. Soon after my return from England I heard of the cave in the mine, and the first news I had of it was by cable from London. I also heard that the Illinois Company had forcibly taken possession of that portion of the mine which was free from water, and as soon as I could arrange my business I left for Salt Lake to protect the company against the trespassers. We procured an injunction about the 10th of July, and obtained possession of the mine, and then I visited it again, the first time for a year. I found new explorations had been made and a large body of ore exposed. I was so well pleased with the appearance of the mine that I wrote to the chairman of the company that I would become the purchaser of the mine from the company at £5,000,000, and this was after the shareholders had received £120,000 in dividends, and eight months after I had sold it. While I was in Utah I ordered my agent, by cable, to purchase two thousand shares, and five thousand if he could purchase at par, and he did purchase two thousand and thirty-five shares at an average of above par.

To show whether I profited by the information of the cave and flooding of the mine, I would say that my agent, after I had started for Utah, being unable to get any orders or information from me, and getting reports from our adversaries in Utah, became frightened, and sold 1,400 shares at an average of £14, and these were the first and only shares that he had sold after my leaving England. As soon as I was advised of his action by cable, I ordered him to stop selling, and within two or three weeks I repurchased the shares at a loss of £6 per share, or £8,400. Mr. Routh can verify my statements in this respect.

In September your chairman, Mr. Anderson, came to America, and went to Utah alone. After he had visited the mine he wrote me that he was well pleased with it, and wished me to come to Utah to aid in the litigation then pending. I went in October, and remained three weeks. I tried the cases, recovered judgment, and assisted in the negotiation for a purchase of the adverse claims of the Illinois Company. I advised the purchase from the Illinois Company, not for the reason that there was a particle of doubt of our title to the property embraced in our patent, but it was found that a portion of the vein ran outside of our surface-limits, and the Illinois Company claimed it was not covered by the patent. I had no doubt our patent covered the ground, but I thought, and still think, that it was for the interest of the company to pay what we did, to settle all question of title and avoid expensive litigation. Your chairman knows whether I was of service to the company, and whether I was disinterested in what I did. A short time before I left Utah, in October last, I had arranged to visit the mine with Mr. Anderson and Senator Stewart, but on the day they went I was prevented from going by illness, and consequently I have not seen the mine since July, 1872. From the report Mr. Anderson, Senator Stewart, and others gave me of the mine, I thought so well of it that I "cabled" Mr. Gager to purchase 2,000 shares at the market-price, and all the stock he could at par. He purchased 1,150 shares at an average of over £23 per share. While Mr. Anderson was here, I learned from him, and was also frequently advised by my agent, that the shareholders in England were very suspicious of the American parties, and thought we bought and sold on information they did not have, &c. I therefore instructed Mr. Gager to sell out my shares in his hands, which he did, and left England for America, December 1. I offered my resignation to Mr. Anderson as director, and was determined not to deal in the shares while my every act was misconstrued and misrepresented in England. Some members of your board, if not all of them, know the truth of most I have written above, and I might add, that from the time I first offered the property in London, every person who visited the mine, whether interested or disinterested, gave quite as favorable report of it as ever I gave, and generally a more favorable one.

I wish now to answer the specific or implied charges made at the meeting to which I have referred. I see by the report that Mr. Orr Ewing, M. P., (who I understand is now a member of your board,) said, "We have still a man on the board (referring to me) who circulated notes to every shareholder that he would give one pound per share if they would hold their shares till the October of last year," and adds, "was it not to entrap our shares into the market and get them up to a premium, that he might get quit of the enormous stake he held? I think in the month of April he had 24,500 shares, and what does he hold now?—25 shares, and still this man is allowed a seat on the board." In answer to Mr. Orr Ewing, I wish to say that I did not make any offer to any party to hold shares until October or any other time. I did offer one pound per share for the privilege of purchasing any or all the shares of the company at £40 per share at any time within six months. I did not make the offer to get the shares up on the market that I might get quit of my shares. I think I did not sell a share after I made the offer before I left England for America, and none were sold afterward by my agent until October, months after the cave and flooding of the mine, (except the 1,400 shares that were sold and repurchased as aforementioned.) The books of the

company may show transfers on the books after the offer; but, if so, the sales were made before. I made the offer in good faith, after selling all I desired to sell, and believing the shares would advance beyond £40. The offer was made in a card I published in answer to a circular of Hiram Johnson; was issued from the office of the company, with the knowledge of the directors, and they knew the motive, and I am surprised they did not repel this charge against an absent associate.

The report further makes Mr. Orr Ewing say, "I am delighted to hear that Stewart and Park are no longer members of the board;" and again, "I believe the English and Scotch members of the board are honest and honorable men." The explanation of the last statement may be found in his statement: "It is very difficult to get men on the other side of the Atlantic not to yield to heavy temptations." Could not the directors have informed Mr. Orr Ewing that the resignations of Senator Stewart and Mr. Park had always been at the disposition of the board, whenever such resignations would have promoted the interests of the company, and that while they were directors they performed their whole duty? I have only quoted a portion of what is reported of the sayings of Mr. Orr Ewing derogatory to myself, to Senator Stewart, and to all of my countrymen without exception. If Mr. Orr Ewing, M. P., will cross the Atlantic and learn more of those he slanders, he may find there are gentlemen and honest and honorable men on this side of the water, and after he has left, and not able to defend himself, we will not slander him and all his countrymen behind his back.

I see, from the report of the remarks of a Mr. Paterson, that I must have had some dishonest motive in advancing money to the company to enable them to make dividends up to and including December last. I could not have made the advance for the purpose of sustaining the market to sell my shares, as I now hold all I held when I made the advance for the December dividend. Then what motive could I have, except to help the company?

The chairman of the company was here when I made the advance, and we both believed that the ore on hand and that which was being produced would cover all my advances and enable the company to continue the dividends; and I agreed to remit the money for the January dividends, which I should have done if we had not been greatly disappointed in the remittance to me from the mine during the months of November and December. I cannot be responsible for this failure in remittances, as I had not seen the mine in six months and had to rely upon the judgment of others. I should not have been likely to have advanced the money if I had known I was to wait months to be re-imbursed.

The same gentleman accuses me of making false statements as to the expenses of working the mine. I can only say that I gave in the prospectus the expenses of working the mine for a series of months, and the figures were strictly and absolutely correct, and were verified from the books at the mine by Professor Silliman and Mr. Brydges-Willyams. From causes with which you are all familiar, the expenses have since materially increased.

Mr. Paterson accuses me of falsehood in stating that Mr. Willyams ordered 1,000 shares of stock to be purchased after he had made an examination of the mine, and founds his statement on the fact that he does find that number of shares transferred to Mr. Willyams on the books of the company. I exhibited to members of the board at the time the "cables" from Mr. Willyams ordering the shares to be bought, and some of them knew the orders were fulfilled, and I now have the original cables, and will send them to London, if necessary to answer this charge.

I notice the chairman is made to say, "My belief is, the best ore was taken out by them (the vendors) and only the worst left for us." If this was so, I confess I should have been likely to know it, and therefore committed a fraud in selling the mine. While I worked the mine the ore was taken out without selection, and the chairman must have known, from personal examination, that the portion of the mine we had worked was all closed up, and the poorer ore since taken out was from new explorations in the upper part of the mine, and where it was not known there was any ore at all at the time the mine was sold.

I believe I have noticed everything specific. It is impossible to answer general denunciations, like a charge that all Americans are dishonest and sharpers. I never sold a share of the stock short, or tried to depress the market in any manner, but have done my best for the interests of the company since my connection with it. I believe most of the members of the board know, of their own knowledge, that what I have written is literally true, and I was very much hurt to see in the report that the chairman said, "Very strong statements have been made by Mr. Orr Ewing against Mr. Park and Mr. Hussey," and added, "I neither indorse nor contradict them. I admit that I do not know."

I desire to say, in conclusion, that every representation I ever made in regard to the property was true, but no one can know how long a mine will last, or what the quality of the ore will be in the future; and if the mine gives out sooner than expected by good judges of mines, or the quality of the ore changes, it does not prove the vendors cheat (even if they are Americans) any more than it would prove the purchasers

knaves if the property should prove to be worth more than was paid for it. In the present case, before the mine was offered for sale, and before a sale was effected, it was carefully examined by disinterested parties, not of my selection, whose reports were much more favorable than any I made; and from the time the sale was made every report from every source satisfied me as well as yourselves of the great value of the property. I did not sell my shares until a number of months after the company was organized, and after it had been examined by English directors; and I purchased thousands of shares months after I left England at above par. If it should turn out that mining-experts, American and English experts, and every one else who visited the mine, were deceived by honest appearances as to the future of the property, it does not in the least prove any one dishonest or a fool, but it does prove what was always known to be true, "that no one has the gift of looking into the bowels of the earth." I still believe the mine will come out all right; but whether it does or not, no one is responsible, unless it be the power that created it.

Gentlemen, I am greatly obliged to you for accepting my resignation as a member of your board, and hope in time that your prejudices against Americans will be removed, and that you will be willing to admit that there are some honest men on this side of the Atlantic as well as some of the "other kind" on your side.

Your most obedient servant,

T. W. PARK.

Adjourned.

WASHINGTON, D. C., *April* 8, 1876.

Examination of T. W. PARK continued.

By Mr. PHELPS:

Question. I desire you to state more specifically than you did yesterday the precise time when you parted with your shares in the Emma Mine Company.—Answer. The time was in October, and I think about the 16th. After that, I made the other purchases when I was in Salt Lake with Mr. Anderson; but these last purchases I parted with in the early part of November—if I recollect right, the 9th.

Q. So that, if I understand you, on the 9th of November you retained no interest in the company, excepting your qualification-shares as director?—A. Yes, sir.

Mr. HEWITT. You said, yesterday, the last of November, and now you say the 9th.

The WITNESS. I think it was on the 9th; I am not certain. Mr. Gager will have it on his books.

Q. State to the committee why you parted with your interest in the company.—A. I wrote to the company why it was. It was because of continued distrust on the part of some new English directors, not of the old ones, and of the English public, that I, living in New York, where I was within easy access of Utah, gained early information as to the condition of the mine, and operated, on that information, in the London market, by cable.

Q. Was that charge true?—A. Never to the amount of a single share. On the contrary, when I should have sold from the information I had, I held my stock; and when I should have bought it, I did not buy it. As I stated yesterday, I lost on 1,600 shares that I sold, and subsequently bought over $42,000, all in the same week.

Q. And these reasons were communicated by you to your associates in writing?—A. They were. When I left England, in May, I wrote out my resignation and presented it at the last meeting of the board of directors which was had after the meeting of the stockholders on the 8th of May. The board unanimously requested me to withdraw my letter of resignation, stating that they would find work enough for me to do on this side, so that I would do my full part of the work. I told them

that inasmuch as I was going to be absent from London, and as they might wish to fill my place on the board of directors with some person who could attend their meetings, they should be at liberty to do so, and that I would render service to them in America just as readily if I was not a director as if I were. Finally I consented to their request so far as this, that I would leave my resignation with them and that they would use it whenever they wished. It was nearly a year afterward before they did accept it.

Q. State now when those advances of money were made in point of time.—A. From about August or September, 1872, and perhaps earlier. They commenced to sell the ore at Utah, instead of shipping it. That ore they sold on time at Saint Louis and Chicago, giving the purchasers 30 and 60 days' time to cover the period of transportation. The company wanted to arrange with me to discount these bills, or to hold them for it until the bills matured, and to advance the money to pay the dividends if the company did not have it otherwise, and I agreed to do it. My advances reached to some hundreds of thousands of dollars, most of which was repaid me by these bills. Sometimes I discounted the bills, charging 7 per cent. on them and crediting the company with the amount, and sometimes I held the bills until they matured before I credited them. At the time I parted with my stock, the company did not owe me anything to speak of. The largest advances that I made were in November and December for, respectively, £20,000 and £16,000, being about $180,000. That was after I parted with my stock. The company only owed me at the time it stopped, $124,000, so that really there was no amount due to me at that time except what was covered by the bills that I had in my hands. Then, in order to know whether I was safe, I wrote to Mr. Hussey, the company's manager at Salt Lake, and I received this answer:

SALT LAKE CITY, *November* 27, 1872.

MY DEAR MR. PARK: Yours of the 20th instant duly received and contents noted; will see that it is attended to as directed and remit you first of each month and charge it up same as expenses. I telegraphed you to-day that we have remitted you in all 70,000 time-drafts in all. That the ore from bottom of mine averages 170 ounces silver and 50 per cent. lead, and that we will be getting out 60 tons per week of this ore very soon. I hardly expect this 170 ounces is a fair test of the bottom, as Mr. Williams has not got fairly into it yet. He is cleaning out the levels, and as lots of stuff from above washed down, it can't be well assorted. Think it should go 300 instead of 220. Yet 220 and 50 per cent. lead is far from bad ore. Uncle Silas don't come up to his promises of late, quite. He said last week he would increase to 100 tons daily during the week, but largest amount reported was 85 tons. I presume he can't tell exactly. No doubt he is doing his very best, and we know he will do all anybody else could do and a little more. The hoisting-engine is doing splendidly, and I presume all the waste is (or very soon will be) out of the way from below so we can get out 10 tons daily of rich ore. The roads are perfectly splendid, and the weather just the finest in the world; but at Alta you know it is a little steep getting up to the mine, and the teams have recently deserted us and gone to hauling for the Vallejo, which loads them at bottom of hill, so we are getting very little down; only 40 tons left mine yesterday; will get teams on at once. I am happy to say there is a brisk demand for ore. Selby, Saturn Works, and Corinne all want ore, and I have now sold or engaged three lots ahead; want it faster than we can get it down. The new mining-captain has arrived, and I trust he will aid Mr. Williams in increasing yield. I have not the least fear but we shall get out enough to pay you up by first of January if we meet with no unforeseen accident, but it will not be money in that time. Mr. Williams knows our necessities and will do all possible.

Will write you further in a day or two.

Very truly,

W. HUSSEY.

On the strength of that, I made another remittance of £16,000 or $80,000, for which I never received anything. But for that last remit-

tance there would have been only a balance of some $30,000 or $40,000 due to me.

Q. Had your advances to the company anything to do with the sale of your stock?—A. No, sir; I made all the advances after selling it. Then, after November, (in January, I think,) some remittances were made to me. I had advices from London that if I had remitted for the January dividend, they would not have declared it, because of the uncertainty as to having earned it, although they had the same advices that I had from Mr. Hussey. Therefore I did not make a remittance, but in January the company sent on their new superintendent, Mr. Atwood, and Williams and Hussey were removed. Atwood had come on with a letter of introduction to me, stating that he had instructions to remit to me until my advances had been paid, and that, after that, he would be glad to continue the same business of remitting the moneys or bills to me, and having me remit to England. Mr. Atwood went on, and from that day I never had a word from him. That was in January, or early in February, 1873. He wrote to me for information, and he told me that he would report to me weekly the appearance of the mine, the condition of the litigation, &c., and I told him if he wanted me, to send for me and I would come out. During that time I heard of these continued charges against, or of suspicions of, the American directors, and therefore I threw up the business. The English directors had a meeting in the month of May, which was reported in the New York World, (the dividends having then been stopped three or four months,) at which meeting this matter was criticised. In answer to that, I wrote this letter to the directors on April 12, 1873, asking them to give it the same publicity as they had given to the proceedings of their own meeting.

(The letter is appended to the testimony of the witness yesterday.)

This letter was published by the company in the Mining World, and they never questioned or denied any statement in it, either by any private letter, or in any public meeting. They gave it to the public, themselves, thereby indorsing every statement contained in it. That corroborates my statement, yesterday, of the offer, on my part, to purchase the mine back at $5,000,000, leaving them with the dividends, which they had already received, of over £100,000. That offer was made eight months after I had sold the mine.

Q. Come now to the connection of General Schenck with this enterprise. Without going into the details of all the conversations and interviews, I wish to ask you whether General Schenck had any bonus or consideration for becoming either a stockholder or a director in this company, from you or your associates, in any way whatever, either by the gift of shares or otherwise.—A. He did not, with the exception, as he has stated, himself, of my taking his note for the 500 shares sold to him at twelve months, and without interest.

Q. Had he any other advantage, or compensation, or consideration, for coming into the company, as a stockholder, than that?—A. He had not.

Q. He has stated, and you have read, how this note and the conditions between you were subsequently settled; is that statement true?—A. It is true, exactly as General Schenck has stated it.

Q. What was your motive in giving General Schenck a year's credit without interest on the purchase of his 500 shares of stock in order to enable him to become a stockholder?—A. I never had met General Schenck (although I knew him by reputation for 25 years) until I met him, according to my recollection, at a small dinner-party given at the

Edwards Hotel by William M. Evarts. I was introduced to him, I think, by Mr. Evarts. I think that General Schenck is mistaken as to the time of that dinner, which was the commencement of our acquaintance, and the time when we first talked about his taking stock in this company. After that dinner, I was very intimate with the general. He was at our rooms calling very frequently on Mr. Evarts while he was there, and upon Mr. Stewart and myself. Very soon after that meeting when I was first introduced to him, we began to talk this business over without any view of his taking any interest in it. We were waiting for Professor Silliman's report. The order had been given to him to make an examination of the mine and to send a report. The report was received on the 17th of October, but I did not see it for two or three days afterward—probably not before the 20th. It was sent to Coates and Hankey direct, and I could not get a sight of it until three days after it was received. Before this report came, I talked with General Schenck about the mine, and told him of our plan for a sale of the mine, provided the report should prove satisfactory. I told him that we had already made a sale of it to Coates. I told him of Coates's proposition, and of my acceptance of it, provided the report was satisfactory. This was about the time we were expecting the report. In the course of conversation, I took out my pencil one day and made a small map of the mine as it was when I last saw it, and told him generally of the previous out-put of the mine, how much it had earned in the past. He then told me that he had heard of the mine at the Land-Office in Washington. I do not know whether I advised him to take some of the stock or not, but if I did, he was the only person that I ever advised to do so, and that was the reason why I felt so keenly afterward on his account. In the course of one of those conversations, I told him that it was a good thing. He said that he had a very limited amount of money, and that the amount which he could put in the stock would not give him enough to amount to anything. If the report was not satisfactory, of course there would be no sale of the mine from there, but assuming that the mine proved everything that it was supposed to be, I thought it would be a good investment for him. Senator Stewart asked me one day (I must have met General Schenck a great many times before that) if I would not let General Schenck have such shares as he wanted to take, and give him time to pay for them, holding the shares as security. I told him that certainly I would, and that I would do more than that; that I would let him turn the shares back to me in a given time, if he did not find them profitable, or that I would guarantee him a dividend on them for the first year. My motives for this were twofold. In the first place, I had taken a great liking to General Schenck, although on such a short acquaintance. I had known him about a month or so; but I was with him frequently, especially after he became interested in the mine. I had let him have the accounts of sales, and he had examined them, and had asked a good many questions about the mine. In the second place, I wanted him connected with it, because I went to London without having a single acquaintance there, and as I intended to leave, having a large block of these shares on hand, I wanted to have some one in London with whom I could correspond and advise, somebody on whom I could rely, and somebody with whom I could go and have a talk while there. I did talk with General Schenck a good deal about various matters connected with my interest. When we met General Schenck again Mr. Stewart spoke to him of the matter, and told him that I would let him have the shares. I said to him, "When the report comes in, and if it is satisfactory, I do not know that

guarantee you an allotment of five hundred shares, but if not, let you have them out of the shares that I retain." He drew up ontract himself, and we concluded it on the day that the paper date. This note and agreement was executed on the 1st of Novem- although the matter had really been closed before that. At the he took the shares there was no expectation on my part, and sure there could not have been on his, that he would have called upon to act as a director. When we talked to Mr. es about making up the board of directors, it was understood General Baxter, one of the vendors, and Senator Stewart, who esented Lyon in the sale, and myself would be the three rican directors. The board was to consist of nine directors, and laimed that we should have one more director who should be a lent of London, but an American with whom we could communi- and to whom I intended to transfer qualification shares. I applied r. Puleston, an American, who had lived here——'

r. HEWITT. Is he an American?

e WITNESS. He was here a long time in the employment of the ernment and of Jay Cooke & Company, and therefore I called him American, but I understand that he is a Welshman, and has never been naturalized here. I asked Puleston if he would become a ctor. He said that he could not take stock in the company. I told that all that was necessary was to have the qualification shares— nty-five shares. He then promised me that he would, and he also Coates that he would. That was understood down to the time that transfer was made by Coates to Grant, so that General Schenck d not have been thought of as a director up to that time. Either at the last days of October or the first of November, Mr. Puleston me one day that Mr. McCulloch had told him he could not become a ctor without the consent of the partners here, as their partnership les with Jay Cooke & Company here prevented it. He wanted to ask Mr. McCulloch about it, and I did so. Mr. McCulloch that that was the only objection to Mr. Puleston becoming irector, and that they would have to write home to Jay Cooke Company and endeavor to get their consent. I said that that ld take too much time. I had two or three interviews with Mr. Culloch and Puleston about it, and it was not until after the change made by agreement to Grant that we had any thought of General enck as a director. After we got the final answer from Mr. Pules- about it, I said to Mr. Stewart one day, "Why should not General enck go on the board?" He said he did not know any reason why hould not. I said, "Will you ask him this evening about it?" and aid he would. Mr. Stewart asked General Schenck that evening, they discussed the matter as to the propriety of General Schenck oming a director. General Schenck asked Senator Stewart what hought about the propriety of it, saying to him, "You ought to w, for you are one of my creators; you were one to confirm my nomi- on to this position, and the created cannot be greater than the cre-" He spoke jocosely, in that way. Mr. Stewart said that he thought e was no objection to his going in. After considerable discussion ut it, General Schenck got up somewhat abruptly and said, "I will decide to-night. I want to think of this, and I want to advise with e parties about it, but I will let you know to-morrow evening," and eft the room. Next evening he came in and said at once that he ld accept the position. I told him why I wanted him on the board; he had a large holding of the stock himself which he intended to

keep, and it would make him take an interest in the concern, and that we should then know that there was somebody on the board who had an interest in it and who would keep me advised. He said, "Gentlemen, if you think that I can be of service to you, I have decided to go on the board;" and I think he mentioned one or two persons that he had advised with in regard to it. He said that he would do so on one condition, which was that the balance of the board must be satisfactory to him; that they must be gentlemen of character and integrity. I said, "Of course, I can control that, because in my contract with Grant it is provided that the members of the board shall be satisfactory to me." That was in the contract. I said, "Of course, I have the right to object to any name that they present." I went to Mr. Grant and asked him if General Schenck would be acceptable as a director. He said he would. Mr. Grant is mistaken when he says (as I understand he does by cable) that General Schenck was mentioned to him first when he took the contract. I may have mentioned that I had agreed to let him have some shares, but I certainly did not mention that he was going on the board, because Mr. Puleston had not then decided positively whether or not he would go on the board. I think that the evening General Schenck told us he would go on the board was the 2d of November, and I am led to believe that that is the date from a letter which General Schenck introduced, which was written by Mr. Stewart on the 3d of November, in which he gives General Schenck the names of some of the persons who were proposed as directors in order that General Schenck might inquire as to whether they were suitable men for him to be associated with. I know that when other names were proposed, I either sent the names in a note to General Schenck, or else told him when I met him what the names were. The first preliminary meeting of the board was on the 7th of November, so I know better than General Schenck does as to the time, for the reason that General Schenck probably did not know of the arrangement with Mr. Puleston, and I could not have thought of putting General Schenck on the board at the time of his taking the shares. I have no doubt that General Schenck thought that he was under some obligations to me for my liberality in selling him the shares, and in indemnifying him, but I did not think that I was doing anything great, or any more than I have done repeatedly for friends. I had a large block of stock, and if it did not prove valuable I would lose nothing by turning a part of it over to him; and if it did prove valuable, then I could lose nothing by my arrangement. I have numerous letters from General Schenck, running through from 1871 to 1874; among them one in which he inquires abo t a certain indorsement on his note, and how the same came to be there.

Mr. HEWITT. I would like to take the correspondence, so that I can read it.

The letters were handed to Mr. Hewitt.

By Mr. HEWITT:

Q. You say that you told General Schenck that you would control the directors, inasmuch as your contract with Grant provided that the directors should be satisfactory to you.—A. Yes, sir; it provided so in terms, that a board of directors should be selected who would be satisfactory to me.

Mr. HEWITT. I do not want any of those letters unless I have all of them. My object is to see what was passing through the mind of General Schenck and yourself at that time.

The WITNESS. I have produced every letter.

Mr. HEWITT. If your counsel thinks that there are any of those letters hich I ought not to see, he need not give me any of them.

Mr. PHELPS. We are quite willing that you should see all the letters.

Mr. HEWITT. I understand that this on your part is a vindication of ourself and General Schenck. You understand that you may vindicate ourself in your own way; but if you show me any of the letters, I want see all of them.

Mr. SCHENCK. I do not think there is any objection to your seeing

The WITNESS. I do not know of a paper, letter, contract, record, ok, or statement, that has ever passed between me and any other rty connected with the Emma Mine which this committee is not at erty to see.

By Mr. PHELPS:

Q. In the testimony of Lyon, it is stated that Judge McKean, chief-stice of the territorial court of Utah, before whom the case was pend-g, had become interested in the stock of this company. Is that true? A. No, sir; he never was interested in it a dollar, directly or indi-ctly.

Q. Was any consideration of any description paid to Judge McKean? A. Nothing at all.

Q. It is further stated that the marshal of that court, who had the lection of the jurors under the practice there, had been paid by you had been made interested in the Emma Mine. Is that true?—A. There not a word of truth in it. He never had a share in it, nor any indi-ct interest in it, nor any promise that he should have any interest in in any way, shape, or manner.

Q. It is further stated that the proposition to submit this case to njamin R. Curtis was made by Mr. Stewart and Lyon to you. Is that ie?—A. That was not the case. Mr. Curtis's name was first sug-sted by yourself (Mr. Phelps) to me, and then we wrote a communi-tion to them offering to submit the question to Mr. Curtis, and other mes were mentioned whom they might select from. They did select r. Curtis, but he was suggested by you in the first instance.

Q. Mr. Lyon states a conversation with you on page 5 of his testi-ony, in which he makes you say, "If I wished to settle with you, Mr. on, we would go into the next room, and I could pay you a very ndsome sum of money in one evening or in two evenings, if we were one," &c. State whether, while you were in Salt Lake that summer, u had any conversation with Mr. Lyon.—A. I did not. Perhaps I n shorten this testimony by stating my acquaintance with Mr. Lyon. hen I went out to Salt Lake to purchase the mine, in March, 1871, I ver had heard of the name of J. E. Lyon, and I never had seen the an, except that his name was mentioned to me as one of the parties ho had a suit against the company. When I went to Salt Lake, and amined the records in the suit of Lyon against the Emma Mining ompany, I never had seen Mr. Lyon. I found in those records what stified me in stating what I did to the court afterward, that this was black-mail suit, and that Mr. Lyon was a perjurer. I stated it from e record. He made his first motion for an injunction on the Silas raine claim, and in his affidavit he stated that the claim No. 1. on hich the Emma Mine was, was first located by Silas Braine on the 28th August, 1869. He says that he worked on that claim in 1868, and at when he left there he employed Woodman to work that claim for m as a laborer. And he states that he afterward acquired the title

to the Silas Braine claim and to the Saint Louis claim, which he states covered the Emma Mine. That was the affidavit on which he asked for the injunction. It turned out when he came before the court that, so far from his ever having any claim in 1868, when he was out there, or ever working it, that the Silas Braine claim had been abandoned before Silas Braine's death, and that he died in 1869, and that Lyon had a pretended conveyance from an administrator of Silas Braine in 1870, and the deed which he received from that administrator was dated the same year in which he commenced the suit and asked for an injunction.

In his affidavit he said that he had acquired the Silas Braine title, but, as Judge McKean properly remarked, he did not say when he acquired it; but it turned out afterward by the production of the deed, that it was dated in 1870. It was before Senator Stewart and Hillyer were employed that this application was made for an injunction under the Silas Braine title. Afterward, an amended complaint was filed, in which he changed his whole base, claiming one-third of the mine by virtue of a previous contract between himself, Woodman, and Chisholm, the discoverers. In the first affidavit he said that Woodman was his hired man, working the claim. After he was advised by counsel that he could not get a deed in 1870 which would relate back to everything, and that he was a trespasser there, he then put in a claim that he owned one-third of the mine by virtue of a verbal contract between himself and Woodman and Chisholm. Therefore, I came to the same conclusion that any other lawyer would come to, that his claim was perfectly worthless, and I stated so all the way through.

By Mr. HEWITT:

Q. Did you ever have any reason to change that opinion?—A. No, sir, except that the claim was formidable in the use that he made of it. I have said that the most formidable claim against the company was that of Lyon, not that it was formidable because of its merits, but because it stood there with a protest against the issue of a patent, and that by the withdrawal of it we could perfect our title and obtain a patent. After going out there the first time and examining this matter, and learning from the voluntary statements of the parties with whom I was dealing, Hussey, Walker, and other gentlemen in Salt Lake who did know Lyon, I formed a very unfavorable opinion of him outside of the records.

After I returned to New York I stopped at the Saint Nicholas Hotel, and Mr. Hawk told me that a gentleman was stopping there by the name of Lyon, who claimed the mine, or an interest in it, and he said that if I wanted to make an arrangement he had no doubt that an arrangement could be made, and he wanted to know if I wished an introduction. I said no; that I knew all about Lyon's claim; that I had seen his affidavits, in which he stated his claim, and that I would not give him a penny for it. Some days after, while I was still stopping at the hotel, Mr. Hawk did give me an introduction to Lyon, as it happened that we were standing together. Then Mr. Lyon opened up a conversation about this claim, and, as he says himself, he did not find me very courteous with him. He commenced by saying that he wanted to talk to me about his claim. I said that I did not want to talk to him about it, that I knew all about it. He said that I could not find on the record all the papers, and that if I would go to his room with him he would show them to me. I said, "If you have got any new papers by which you can satisfy me that you have a title, I would like to see them." We went to his room, and he pulled out a little trunk and took out several

pers. As he called my attention to them one by one, I would say, "I ve seen that paper." In the mean time he was interspersing his con- rsation with talk of the advantage of a settlement. I said to him, "I me to see your papers; if you can show me that you have a title to any rtion of this mine which is at all formidable, then I may settle, because is thing had better be settled than litigated. But," I said, "you have led to show me any papers that I have not seen before." I told him at we could not settle; that there was no use in talking about settling, it would only encourage others to commence suits. There were half lozen claimants already that had made themselves known, and I said, If we settle with you we have got to settle with every other party or se to litigate, and we are prepared to try your case." I never had a ord of conversation with him in regard to the mine after that time, ich was after my return to Salt Lake in April, and before I went out July.

By Mr. PHELPS:

Q. My question is this: When we were out there in July, at the time was there, when we had an argument before Judge McKean, had you had you not any personal intercourse whatever with Lyon?—A. Not word. I refused to have it. His counsel came to me and requested e to see Mr. Lyon, and I said, "I do not want to speak to the man; if has got anything to say to me let him say it through his counsel." I ld Mr. Stewart the same thing.

Q. Then, in regard to all this conversation which Lyon swears he had th you in Salt Lake, you say that you had no conversation with him, any interview with him on any subject?—A. No, sir. I cannot say it that if Mr. Lyon had nodded his head to me, or said good-morning, should not have recognized him; but I had no conversation with him regard to the Emma Mine. That was understood by his counsel, Mr. illyer, Mr. Hempstead, and Mr. Stewart; and Mr. Lyon himself under- ood it.

Q. It is further stated in his testimony that Mr. Stewart and Lyon derstood from you at that time that the mine was substantially ex- usted; did you ever intimate such a thing to them?—A. No, sir; I id, just two months before, purchased a half-interest in the mine the rate of $750,000 for the mine, and five days after I left Utah I ought the remaining interest in it at the rate of $1,500,000, so I would t be very likely to say that the mine was worked out. I should not very likely to have cried down my own property, particularly to an lversary like Lyon, and particularly considering the terms that we ere on. On the contrary, I told Senator Stewart that I had a very good inion of the mine, and that it was worth a great many millions.

Q. Lyon swears that you told him that you had got letters from Europe, id that you thought you could sell the mine at eight or ten million dol- rs; that you had got a new man for a superintendent—Silas Williams— ho was the best man to prepare a mine for engineers, &c.; and that u had instructed Williams to work the mine, not with a view of tak- g ore out of it, but to put it in the best possible shape to undergo in- ection; and that you intended to sell the mine in London on its putation; and that at that time there was not more than $250,000 orth of ore in sight. I refer to his testimony on page 89. Have you ad that statement of his, and is it true?—A. I have read it, and there n't a word of truth in it. I had not a word of conversation of any ind with him after I came back. When we came to close the contract Mr. Stewart wanted me to see Lyon, but I declined to have anything do with him by correspondence or personally.

Q. Had you any such thought in your own mind as that you were going to fix up the mine to sell it on its reputation?—A. No, sir; and, further than that, it would have been an impossibility. It is just one of those classes of mine which for five millions of dollars you could not have fixed up to deceive an expert; the very nature of the mine forbade it. Here were tunnels to the extent of miles, and shafts running through ore of soft material like a sand-bed or gravel-bed, and the idea of fixing a mine of that kind is absurd.

Mr. HEWITT. How could you have tunnels to the extent of miles, when you testified that the mine was only 100 feet long?

The WITNESS. There were ten floors with tunnels running crosswise. I cannot say that they were to the extent of miles, but I should think that they were more than a mile.

Mr. HEWITT. Prior to the sale you found nine floors?

The WITNESS. Yes.

Mr. HEWITT. And you testified that the mine was about one hundred feet long and one hundred feet deep?—A. Yes. Perhaps I am somewhat extravagant in saying that the tunnels were to the extent of a mile. I could sit down and figure out and ascertain within two or three hundred feet what was the exposure of surface.

Mr. HEWITT. When you say that the tunnels extended for miles, that is certainly an exaggeration.

The WITNESS. Perhaps so; but it was such a mine that it was impossible to doctor it.

By Mr. PHELPS:

Q. Was there any attempt made to put the mine in a shape to be examined by Professor Silliman or any other expert?—A. No, sir. So far from that, as I stated yesterday, we pushed the mine to such an extremity, in order to get out the ore before the 1st of August, that we left it in an ugly, bad shape to be examined. My instructions were to get out the ore without regard to anything else. The time that was spent in working the mine from the last of July until Professor Silliman went out there was spent mostly in trimming up, and running drifts in, and exploring, and of course that would make the mine look to much better advantage than it would have looked on the 1st of August; but there was nothing else in view except the proper working of the mine.

Q. Lyon swears, on page 11, that they worked the mine without regard to taking ore out. Was that true?—A. No, sir; it was not true.

Q. He spoke of seeing this patent at Baxter's office. Was the patent ever at Baxter's office?—A. No, sir; and Baxter never saw it in his life. The patent was brought in to me by Judge Poland in a Government sealed envelope. He came on in the night train, came to the Saint Nicholas Hotel, where I was, came into my room, waked me up, and threw on my bed a paper, saying "Here is your patent." I opened the envelope and ran my eye over it, and then talked with Judge Poland. I then tied up the patent and put it in a safe in the Saint Nicholas Hotel, where it remained until the morning that I left for England, which was the 2d of September, and which was only seven days after I got it. The patent is dated the 24th of August, I believe. It was not carried down to the office. It was nothing to see—nothing more than an ordinary patent. I looked it over to see that all the signatures and seals were to it regularly, and then I put it in a safe in the Saint Nicholas Hotel. I afterward took it out of the safe and put it in my baggage, and did not take it out again until I was on board the steamer. Nobody asked to see it.

Q. Where was Baxter's office?—A. Baxter's office was at 45 Wall reet, and I was stopping at the Saint Nicholas Hotel. Down to the me of my sailing and until I arrived in London I never knew anything the correspondence, written or verbal, that passed between Mr. Stew-:t and Lyon. I never saw a copy of a letter between them, and knew othing of what was written by one to the other, or what passed between iem, except as it related to the getting of this patent—that is, to the with-rawal of the protest. As to the time of the talk of the withdrawal of the rotest, that was in New York. Mr. Stewart says he called my attention) it at Salt Lake, and that I told him that if they could get us a patent, ien we would settle. I said that to Mr. Stewart before that, and I had iid it to others who made claims—that if they could get a patent, I 'ould settle with them, and that the reason why I would not settle any laims was that a settlement would only encourage others to litigation. Ir. Stewart may have come to me in Salt Lake and said to me, "If we an get you a patent, then you will settle." If he said so to me, then I hould have replied to him as I had done before, yes. For I had often iid to Stewart, "If you get a patent, we will settle with you, because that ill clear up all the title and give us a perfect one." He did not tell me ow he would get the patent. He said nothing about withdrawing the rotest. Nothing was said to me about any price for the mine or any 500,000. I do not know, of course, what took place between Mr. Stew-rt and his client.

By Mr. HEWITT:

Q. Was there any conversation between you and Stewart as to what ie patent would cover?—A. No, sir; the survey would govern that, ie survey which had been made.

Q. Did you get a patent on the copy of the survey that was made?—A. so understood it; I never understood anything different. Nothing as said about any particular description of the property between me id Stewart. The advertisement has to define the property for which)u ask a patent, and the Department has decided that it will not issue a itent with a different description from the one contained in the adver-sed notice of application.

Q. The patent that was issued, if the lines were carried down verti-illy, would it include the whole of the Emma Mine?—A. No, sir.

Q. Then, if any man had obtained a patent alongside on one of those, ies, and had gone down vertically, would there not have been a con-ct of rights between you?—A. No, sir; not under the decisions or ider the act of Congress.

Q. Assuming that there were two patents, how would it have been? A. The oldest one would take it, with all its dips, angles, spurs, and iriations; but of course there was no other patent at all on that hill.

Q. But there had been surveys filed?—A. There had been any num-r of applications and surveys, forty, perhaps, in that immediate vicin-', both on the sides of it and laterally.

Q. Suppose you got your patent first, and then other people obtained a tent of subsequent date, but on surveys which were filed before yours, iat would be the result?—A. I think our patent would have taken the ecedence.

Q. Because it was the oldest patent issued?—A. Yes, sir. That is the ison why 90 days' notice is required, in order that parties may file eir protest, and if a protest were filed, a patent could not be issued til their rights were decided in a court of law. So that it is assumed it if no protest is filed, there is no objection to the issue of a patent,

and the party who wants to prevent a patent being issued must take care to file his protest.

Q. Then the theory of your party was that you ran your line so as to clear other surveys?—A. No, sir, not at all. There were no surveys that conflicted with ours. I gave my bond for five millions on the theory that the patent carried our title to the whole length of the vein, without regard to any other surveys or locations made by other parties even prior (if there had been any) to ours.

Q. You assumed that the issue of a patent to you cut off all the others?—A. Yes, sir; and Mr. Evarts gave that advice, and cabled it over.

By Mr. PHELPS:

Q. Lyon swears that you told him you had an interest in his contract with Stewart, (I mean the contract between him and Stewart;) is that true?—A. No, sir.

Q. Did you have any interest?—A. I did have the right to purchase an interest in it; and I intimated to Senator Stewart that I would take an interest in it, provided other matters were arranged in New York satisfactory to me.

Q. Did you have any conversation with Lyon on the subject?—A. No, sir.

By Mr. HEWITT:

Q. You swear that at the time of the making of that contract, and until after Stewart went to New York, you had no interest in the contract?—A. I had no interest in it except the offer which Stewart had made to give me a right to an interest; that is, there was no agreement closed between us.

By Mr. PHELPS:

Q. You have read Lyon's statement on page 14 in regard to what took place concerning General Schenck's resignation. I will read it to you: "General Schenck wrote a letter to Mr. Park about the first of December, as near as I can remember, (it was a short time previous to the writing of the letter which I have seen published recently,) resigning his position as director of the Emma Mining Company;" and he also says that you told him that you were going to have a better letter than that from the general, and that you afterward showed him another letter. State to the committee in regard to that circumstance.—A. I never had any such talk as that with Mr. Lyon. Of course there are some things which I may have said and not recollect, but I could not forget a conversation of that kind, and I could not have had such a conversation with a man of whom I entertained such an opinion as I did of Lyon. I knew that at the same time he was selling these shares short, that he was on the other side of the market, and I charged him with it. It was reported to me in London, and I think General Schenck himself told me that a man of the name of Lyon was circulating these stories about the mine.

Q. You understood that those circulars and letters which you read yesterday emanated from Lyon?—A. Yes, I spoke of them as Lyon's lies.

By Mr. HEWITT:

Q. You are quite sure that General Schenck spoke to you of Lyon?—A. I am quite sure that he told me, in talking about those stories published of the mine being a shell, and fraud, &c., that he had heard

at a man by the name of Lyón was circulating these stories. He did ıt say that he knew Lyon.

By Mr. PHELPS:

Q. You have said that you did not have such a talk with Lyon about eneral Schenck's resignation. Is it true that there were two letters of signation?—A. I have no recollection of ever seeing a second one.

Q. Was General Schenck's letter of resignation either dictated or ritten by you?—A. No, sir. I never knew a paper to be written in his resence that he had not a hand himself in the writing of it.

By Mr. HEWITT:

Q. Did you have a hand in writing his letter of resignation?—A. No, ir.

Q. You do not know that there were two letters of resignation?—A. do not know that there were two.

Q. Was there any alteration made in General Schenck's letter of resigıation at your suggestion?—A. I do not recollect any. General Schenck ıays that he thinks he probably advised with me about it before he sent n his letter; if he did I have no recollection of it, but if he did, I should ıave been very likely to suggest to him not to use any expressions in he letter that might injure the company. In other words, I might ıave suggested to him to put his resignation on its true ground. He ıad told me that his resignation was not from want of faith in the mine, ıut was from reasons purely political; and if he had asked me I should ırobably have suggested to him to put it clearly on that ground, so hat it could not have been made use of against the company.

Q. Did you make any draught of any letter for him?—A. No, sir.

Q. Did you make a copy of any?—A. I may have done so, but I do ıot recollect. If there is a copy found in the office in my handwriting, t is probably a copy which I have taken and left in the office, but I ıave no recollection of it. If it was so, it was a copy made for my own ıse. It is possible that if General Schenck told me he was going to 'esign (as he did tell me before he wrote any letter) I may have jotted lown what I wanted him to say, knowing what his motive was; but : have no recollection of it.

Q. Did you have any conversation with Lyon or anybody else in which you intimated that this arrangement for the subscription of stock with General Schenck was a sham?—A. No, sir; never. There never was any sham about it, and there was nothing in it but what appears ın the face of the paper. The transaction was just as square and aboveıoard and without sinister motives on his part and on mine as any ransaction could be.

Q. When was General Schenck's note given to you? Was it at the ime it bears date?—A. The transaction was closed on the first of November, as it bears date. There never was any false date put in ıny paper concerning General Schenck or anybody else.

Q. On page 16 is a statement by Lyon in regard to your employing ıim to subscribe for stock for General Schenck. State what you know ıbout that.—A. While I was in Europe I went on the continent and pent some weeks at Florence, and I went to Paris once or twice, but nost of the time I was in London; and I was in poor health most of he time, under the doctor's care. Most of the time I would not go to he city in one or two or three weeks. I had no servant and no secreary; in fact, I had no business but to wait for this matter. I did not ell any shares personally. Mr. Lyon coming in there, I would send ıim on some errands, and I should not be surprised if I sent a note by

him to General Schenck, but I never sent him a note of introduction to General Schenck, for I never should have introduced Lyon to General Schenck, either personally or by note. If I gave him a note it was merely one to make an appointment. As to the subscription, I recollect it. General Schenck went to the continent, and before he left London, he wanted to get allotted to him 500 shares of the 8,500 that were coming on the market. I told him that in my judgment these 8,500 shares would be subscribed for three or four times over, and would not be allotted share for share, but that I would get allotted to him all I could through my influence. Of course it was discretionary with the board, and they did always use some favoritism in such matters. I told General Schenck that I had nobody to ask favors for but him, and that I would get allotted to him all the shares I could. He wanted to know how he could arrange it. I told him that he had better leave a blank application with me, and that I would attend to it. He left the blank application and I had it filled up, and on the last day that the books were to be opened, (I withheld it to the last day purposely, in order that it should not be used to influence anybody else, because I knew that the stock was all subscribed for the day before his subscription was sent in, and more too,) I gave Mr. Lyon a check on Jay Cooke, McCulloch & Company, who were my only bankers in London, payable to his order. It was the only check I could have drawn, as they were the only bankers I had. I asked him if he was known at the London and Westminster Bank. He said he was not. I then said, "You will have to go to Jay Cooke, McCulloch & Company and get the bills for this check and deposit them with this application." There was nothing more said. There was nothing to keep secret about it or to make a flourish about. I told the directors of the first arrangement with General Schenck, and of the time I had given him to pay for them, and I told them why it was that I had tried to help him. There was nothing about it kept secret from the directors or from anybody else on my part.

Q. Did you have any conversation with Lyon in regard to General Schenck having received £10,000, and in regard to his expensive dresses for his daughters, &c.?—A. I think the committee must know that I would not be talking to Lyon about the dresses of General Schenck's daughters. I did not say anything of the kind to him. It is all false.

Mr. HEWITT. I have occasion to know that a ball-dress for a young lady in Paris does not cost more than 1,000 francs, so that what Lyon says about the cost of dresses for General Schenck's daughters would appear to be an exaggeration.

The WITNESS. It is an exaggeration, but not so great as other exaggerations in his testimony.

By Mr. HEWITT:

Q. You had no conversation with Lyon in regard to General Schenck's domestic affairs at all?—A. I answer most emphatically, no; I think everybody will believe me in that, whether they do or not in everything else, because, from the whole drift of the evidence, my relations with Lyon will be plainly seen. I only harbored him and allowed him to come into my room at Senator Stewart's request; and Senator Stewart said that that was at Lyon's request. Before that time I would not speak to him; but one day Senator Stewart came in with Lyon at Lyon's request, and told me that he wanted Lyon to be at liberty to come in there and talk with me, in order that he might make some money; and he said that he would vouch for Lyon's truth and honesty, &c. I said,

Very well." Lyon says that I gave him a letter (which I did) to go to ie secretary of the company. That is one instance to show where a ttle truth may be perverted to much wrong. The explanation of that this: The stock was being taken by subscribers. None but an old ockholder had a right to subscribe for it. Lyon asked me whether I ought the stock would go up. I said it would. He said, "Suppose get some of the old stockholders to make application in their names r shares for me, would you advise me to do it?" I said I would, and hat he would make money out of it. He said, "I do not know who hey are or whom to apply to. Do you suppose that they would let me ee the names of the stockholders on the books of the company?" I aid I would give him a letter to Mr. Tooke, the secretary.

By Mr. PHELPS:

Q. Did you make any effort to keep up the price of shares in the stock-narket?—A. I understood Mr. Lyon to testify that I was keeping up the rice of stock during the five days that these 8,500 shares were put upon he market; that I was buying stock in the market at that time to keep ip the price. So far from that, as is shown by my accounts during that ime, between eight and nine thousand shares of my stock were sold by Mr. Grant, (I did not know it at the time,) so that, instead of the market vanting to be sustained, the market actually took, in those five days, ight or nine thousand shares more in addition to the 8,500 shares that vere upon the market.

By Mr. HEWITT:

Q. Do you mean to say that these eight or nine thousand shares of our stock were sold before or after the receipt of the telegram from Silliman?—A. They must have been sold afterward, because I refused o sell any stock until we got a report. There was no substantial ad-vance in the price of the stock after the receipt of that telegram.

Q. Do you recollect the Willyams, Silliman, and Hussey dispatch, whether or not it produced or was intended to produce an effect upon he market?—A. It did not, substantially. The shares had been with-out change in price for some time. They did not vary a pound a share between that time and the allotment. The allotment followed imme-diately, within two or three days after the receipt of the telegram. I hink it was the first of the next week.

By Mr. PHELPS:

Q. Lyon testifies on page 34 in regard to your interfering through Gen-ral Schenck with Sir Roundell Palmer, counsel for Davis; is there any ruth in that?—A. No, sir; no further than as General Schenck has tated it. I asked him if he was on such terms with Sir Roundell Palmer as to request him to see that there was no unnecessary delay in he hearing of that case, for the reason that I had taken my ticket on certain steamer for New York, and did not want to be disappointed. eneral Schenck said that if he could see Sir Roundell Palmer he would peak to him about it, and that there was no impropriety in it.

By Mr. HEWITT:

Q. In regard to those sales of shares and the allotment, you stated hat Grant & Co. were selling and had sold how many shares for you?—. They sold all of my reserve shares, with the exception of what was ivided at the end, some four or five thousand, leaving to me two or hree thousand and to them two or three thousand. They were mostly

sold in April, and about the time that the applications were made for the allotment.

Q. Does your account show the date of the last sale?—A. I think it does, (referring to it.) The last sale was credited up to me on the 12th of April, which was probably settling-day.

Q. Do you know when the allotment was made?—A. No, sir; I do not.

Q. The 6th of April was the day when the books were closed, and the allotments were made when?—A. In the first part of the next week. The 6th of April was on a Saturday, and the allotments were made on the Monday or Tuesday following.

Q. What was the date of your consenting that the board should have these 8,500 shares put upon the market?—A. Just before the issue of the circular offering them, about the 1st of April, or a day or two before. I omitted to state one thing. General Schenck did not make himself clear in his testimony as to the indorsement of £2,500 on his note after I returned from America. He wrote to me about it, inquiring, but I did not answer his inquiry fully in my letter; and I do not know that I did until General Schenck came here and we made our final settlement. Then I did explain it to him. This is the explanation. It occurred to me one day, before I left England, that there was no reason why Grant & Co. should have a commission on those shares which I sold to General Schenck. I sold them, and they did not. I went to Mr. Grant and asked him why he had charged me commission on those shares which I had sold to General Schenck. He said, "You got your money on them." I said, "That makes no difference. I want to save that for General Schenck. I do not know that, lawfully, or morally, or equitably, he is entitled to it; but I know that you are not entitled to it, that is certain; and the company is not entitled to it, and I am not entitled to it, and, if anybody is entitled to it, it is General Schenck himself." I told him that I should give General Schenck the benefit of it, and he passed the £2,000 commission to my credit, and I made the indorsement on General's Schenck's note, covering that £2,000 and the £500 which he had given me before I left London. This indorsement was made without the knowledge of General Schenck, and when he saw it on the note he did not know what it was for, and he wrote to me for an explanation. Even on our final settlement he insisted that that was not right, and he could not understand it fully.

By Mr. PHELPS:

Q. On page 35 of Lyon's testimony, he makes a statement that you told him that, when Mr. Willyams was going out, you had made an arrangement with Baxter to take care of Willyams and to keep him away from hotels and strangers, &c. State whether there is any truth in that.—A. There isn't a word of truth in it. If I had done anything of that kind, Mr. Lyon is the last man that I would have told of it. I knew that he was bearing the stock at that time, and that he had been for a long time, and I should not have been likely to take him into my confidence. But there was nothing in fact in regard to that at all. If I had told him such a story, it would have been a lie without any motive for it, and particularly without any motive for lying to a man who had shown a disposition and interest to use such a story to my injury.

Q. On pages 35 and 36, Lyon gives an alleged conversation with you in regard to 1,000 tons of ore short at the mine, (which you explained yesterday,) and in regard to your telling stockholders that it was not

got out on account of the snow. Is there any truth in that?—A. Not a word. I hadn't a word of conversation with him on that subject.

Q. State to the committee in regard to the payment to Lyon of this subsequent $50,000 after he had his first $150,000; give the reasons why you paid it to him.—A. I had nothing to do with the settlement between Lyon and Stewart. Lyon's testimony in regard to my coming in and volunteering advice, or coaching Stewart, that he must tell Lyon such and such things, is all false. When Lyon arrived in London he went to the Langham Hotel. I was stopping at Edward's Hotel with Mr. Stewart. Mr. Stewart called on Lyon at the Langham Hotel, and the next day Lyon called at Edward's Hotel to see Mr. Stewart by appointment. It was there in my room, in our common parlor. As Lyon came in I did not recognize him or speak to him. I had not seen him, or had not had a conversation with him, since the conversation which I have testified to at the Saint Nicholas Hotel. When he came into the parlor I took my hat and left the room without even saying good-day to him. I had no conversation with him until Mr. Stewart came to me and told me that he could purchase Lyon's interest for $200,000, and he wanted me to advance the money for $150,000 of it, (the other $50,000 coming to himself.) I told him that I would not make an advance of the money except certain other matters were done. Therefore that talk which Mr. Lyon testifies to between me and him never took place. I purposely kept out of the way. Mr. Stewart up to that time was acting as Mr. Lyon's attorney, and I never attempted to interrupt their relations. Of course I never said what Lyon reports me as saying in regard to Stewart packing juries, &c. I had known Senator Stewart fifteen years before in San Francisco, and I knew his father-in-law very well; but I had not met him for a long time when I met him at Salt Lake. He was the first man to shake hands with us at the hotel, and he was the man whom they selected, because they thought he had the most influence with me, to make all these negotiations, and I made them with Senator Stewart, which shows that I could not have used any expressions of that kind in regard to him, and I do not believe that Mr. Stewart made use of any such expressions in regard to me as Lyon attributes to him.

By Mr. HEWITT:

Q. After Lyon and Stewart made this bargain, is it true that you drew the assignment?—A. I do not recollect, but I should have been very likely to do so if he asked me to. With all due deference to Senator Stewart, I do not think that he always makes his papers perfectly clear, and if he had written a paper which was not perfectly clear, and shown it to me, I might have got out of my bed and corrected it, but I do not recollect.

By Mr. PHELPS:

Q. If you paid Lyon $50,000, what was it for?—A. Mr. Lyon came into my room one day after he had met a heavy loss by short sales, and commenced conversation by saying that he was going to sue Bill Stewart, and he commenced to abuse him. It was the first time that he had said anything to me against Mr. Stewart. He said that I had bought Mr. Stewart up, and that I knew I did, but, said he, "I am going to follow him up, and I will follow him until he dies; I am going to sue him, and I am going to make an application for an injunction to enjoin you from disposing of stock in your hands which belongs to him, or in which he has an interest," (because he did have an interest in it.)

By Mr. HEWITT:

Q. What was the date of that conversation?—A. There was no paper executed by which I can fix the date.

Q. After what time was it?—A. I should think it was after and about the time that this allotment was made, say, the 10th of April—from the 10th to the 20th, perhaps. I have no way to fix the date, except with reference to that allotment.

By Mr. PHELPS:

Q. You made him the payment?—A. Not at that time. I said that there was nothing of the kind; that I had never bought Mr. Stewart, and that Mr. Stewart would not sell himself. I said to him, "All that you have got of the mine, you have got through the skill of your attorneys in discovering the fact that by the withdrawal of your protest we were enabled to get the patent, it was for which we paid. We paid for the patent, not for any title that you had in the mine, and you always understood it so." He said that he had taken counsel, and that his counsel had told him that any contract made between an attorney and his client would be set aside, except the attorney could prove that he stated to his client everything that had transpired, and that the burden of proof was on the attorney. That was good law, and was the law which I understood when I drew my contract with Day. I provided against it on that occasion by taking a declaration from Day that I had told him everything honestly. This Mr. Stewart had not taken the precaution to do, and as soon as Lyon stated it to me, I saw at a glance that he had the advantage over Mr. Stewart in that respect. I said, "I see what it is, Lyon; it is black-mail. How much do you want? Let us come right to business. You know better than to make a statement that Mr. Stewart ever sold himself out to me." He said, "I do not find any fault with you, but he did sell himself." "Well," said I, "how much is it? Let us come to business." He said, "I will not take a cent from you. You have always behaved well to me." Said I, "That is not the talk. How much is it? How much do you want? If you commence a suit in this case, it will probably annoy me very much, by tying up this stock and getting me into the court of chancery." He repeated that he would not take a dollar from me; and he said that he regretted that he had to proceed against me in the matter. I said, "Come to the amount; what is it?" He said, "If I had £10,000, I would be perfectly satisfied." I said, "I am going to give you that £10,000 on behalf of Mr. Stewart, on my own responsibility, but on this condition: I will not give you a scrap of paper to show that you are to have it, and I shall not pay you until I get through my business here, so that you cannot annoy me any further. Now, if you want it in that way, you may take it; if not, you may proceed as you see fit." He said that that was perfectly satisfactory; that my word was good. A few days after that he came into my dressing-room, where I was dressing, and said to me, "Mr. Park, now is the time for you to sell your stock." (The market was then up to above 28.) I said, "No, I guess not." He said, "You are loaded up, and you have got to get rid of it, and you cannot get rid of it unless you sell it now." He supposed that I had at that time some 35,000 shares of stock, when, in fact, I had disposed of all my stock which I intended to dispose of before I left England. He commenced by saying, "Now is your time to sell, and I can help you." I said, "No, I guess I do not want to sell any now." After some conversation, I said to him, "Lyon, I will not fool you any longer about it; I haven't got a share to sell. I am going to take home with me, to America, all

e shares that I have got." Said he, "My God! is that true? and I ave been watching you all this time, and supposing that I was getting formation, and you sold your stock out while I was going short, sup- osing that you were buying to sustain the market." He said, "I have ld short 1,600 shares." Said I, "You lie. Is it possible that a man uld be found who would make the professions that you have been aking, and play this trick? You do not deserve any sympathy." id he, "I am 1,600 shares short, and it will ruin me. It will take m me every dollar I have got." This was in the morning. He went t, and came back again in the evening, and said: "You said to me is morning that I lied, when I told you that I was 1,600 shares short." Of course," said I, "I did not mean to say it in an offensive manner; t I meant that your statement was incredible." Said he, "There are e papers, which speak for themselves," and he put into my hands his oker's notes. I ran them over, and I found that his statement was ue; that during the time these 8,500 shares were being sold, and hen he supposed that I was buying stock to sustain the market, he had ld 1,600 shares, when, in fact, Grant was selling out my shares. He id, "I am ruined. I cannot buy in these shares." The day before at I was in Mr. Routh's office, and Mr. Routh said to me, "Emma is 27 and a fraction." "I think" said I, "I might as well take 500 shares ore," (for I had not quite as many as I intended to bring away with e,) and I told him to go out and buy me 500 shares. It seems that you had heard of this, for he said, "You bought 500 shares yester- y through Routh at 27, and you can let me have them." I said, Yes, I did buy them, but the moment after I bought them Mr. Percy oyle came in and wanted to buy 200 shares, and I told him that might take 200 of mine, which I had just bought, and so I ordered e account changed, giving 200 shares to Doyle and 300 to me." I ld this to Lyon, and he said, "You have got 300 shares, then." I said Yes; and notwithstanding your conduct, I will let you have them," d I gave him an order for the 300 shares. He did not say anything out paying for them, and I did not say anything about his paying r them. This was not more than two or three weeks before I left ndon. Mr. Phelps arrived very soon afterward. I was leaving Mr. ager to attend to my business after I left, and I told Mr. Gager to pay on after I was gone the balance of the £10,000, after deducting the ice of these 300 shares, which would leave £1,700 coming to him, pro- ded that Lyon signed papers which Mr. Phelps would draw up. I ld Mr. Phelps to draw up the strongest papers that he could con- ive; to discharge the Emma Mining Company from any claim that you might have; to discharge Stewart from any claim; and to discharge e claim which Lyon might have for back ores, which he threatened to e for. After I left Gager did pay him the £1,700, which closed up the 10,000, and Mr. Phelps drew up the papers. I will put one of these leases in evidence. It is as follows:

Know all men by these presents, that I, James Elias Lyon, of Racine, in the State of isconsin, in consideration of the sum of $50,000 to me in hand paid by William M. ewart, of the State of Nevada, now of Washington, in the District of Columbia, the ceipt whereof is hereby acknowledged, do hereby fully and forever release and dis- arge the said Stewart from all and every demand, claim, or right of action of every scription that I have or may claim to have against him, whether legal or equitable, d especially from any and all claims, demands, or causes of action of every descrip- n, growing out of his relation as attorney or counsel or agent for me in the litiga- n concerning the Emma Mine, so called, and the various proceedings, negotiations ntracts, and conveyances concerning or connected with said Emma Mine, and the

property thereto belonging, and the conduct, management, and disposition thereof him, the said Stewart, in every and all respects and particulars.

In witness whereof I have hereunto set my name and seal at the city of London eighteenth day of May, 1872.

JAMES E. LYON. [SEA

In presence of—
OLIVER GAGER,
45 *Albemarle street, London.*

T. H. WRIGHT,
Consul-General Clerk, U. S. A., London.

CONSUL-GENERAL OF THE UNITED STATES OF AMERICA, *Lond*

I, Joshua Nunn, vice-consul-general of the United States of America for Britain and Ireland, resident at London, duly commissioned, do hereby make k and certify to all whom it may concern that on the day of the date hereof, befo personally appeared and came James Elias Lyon, the person of that name des in and who has executed the foregoing release or instrument of writing, and the there acknowledged the same to be his voluntary act and deed for the uses and poses therein contained.

In testimony whereof I have hereunto set my hand and affixed the seal of the c general of the United States of America at London aforesaid, this the 18th c May, A. D. 1872, and in the 96th year of the Independence of the said United Sta

[SEAL.] J. NUNN,
Vice-Consul-Gen

I told Mr. Phelps the whole story about the black-mail, and wh came from, and I said to him, "Now, I want papers drawn (you the character of the man) so that none of us will have any more tr from him."

By Mr. PHELPS:

Q. You speak of my having drawn this paper; you may recollect I arrived in London the day before you left for America?—A. Yes

Q. So that I was only twenty-four hours in London before left?—A. Yes; that was after I had delivered Lyon the three hu shares.

Q. And the balance of the money was paid after you had left don?—A. Yes; paid by Mr. Gager. When I returned to New Y stated to Senator Stewart what I had done; that I had take responsibility of doing it; that I thought Lyon had him on the hip that he could have set aside any transaction between himself Stewart, for the reasons which I have stated, and Mr. Stewart ra what I had done. It seems from General Schenck's testimony th was advised by a dispatch sent to him by me to sell two thousand s of stock. I never sent any such dispatch to General Schenck, and sent him any cable-dispatch in my life.

By Mr. HEWITT:

Q. How do you account for that dispatch?—A. When Mr. Gage out there I left instructions with him to do everything he could to General Schenck in every way, and I continued these instructions he got back. While he was back he kept all my papers in regard Emma Mine, and made all my settlements and attended to all m respondence. I told him that if there was anything important for eral Schenck to know, to communicate it to him at all times, eith letter or cable, and Mr. Gager may have sent that dispatch, bu within my knowledge. If it was sent in my name it was by Mr. G but without my knowledge, and I did not know of it until it was br up here.

Mr. HEWITT asked Mr. Schenck whether he could fix the date c dispatch; whether it was about the first of December.

Mr. SCHENCK. It was in December, but I cannot fix the precise time. It was in Paris that I first heard of the tumble of the company.

The WITNESS. I want to say further that I never sent a dispatch nor wrote a letter to any person living in London after I came back, in reference to Emma shares, either to put the market up or to put it down, except those that I sent to the directors. Of course, I had my private correspondence, all of which Mr. Gager has got, and I have no objection to its all going into the testimony. He kept copies of all the letters from me in a letter-book, and kept the originals of the letters received by me; but outside of correspondence with him (and that was by letter) I never sent a cable or letter to any one. If I had been here, and thought I could have helped General Schenck to sell his shares without loss, I have no doubt that I should have sent him a dispatch if it was necessary to do it; but I should not have sent to him to sell two thousand shares. I should not have approved of that. If Mr. Gager did so, he did it on his own judgment, but under my general instructions to do everything he could to help General Schenck.

By Mr. PHELPS:

Q. I want to know, generally, whether there was any arrangement of any kind to have any dispatch sent for the purpose of affecting the market, by Hussey, Silliman, and Willyams.—A. Not the least. They were to send a dispatch according to the truth, and as I stated yesterday, Mr. Willyams purchased one thousand shares of stock by cable through me while he was out there.

By Mr. HEWITT:

Q. Did Willyams avail himself of the call for two thousand shares after his return to London?—A. He did. The paper gave him the right to thirty days after his return to London to call it. As I had to leave, and as his father had died, he asked me if I would not extend the time beyond the thirty days, and I told him I would extend it so far as would enable Mr. Gager to close up my business and leave. Before Gager left, Willyams did take the option, and the stock was transferred to him.

Q. There was an actual transfer of stock to him?—A. Yes.

Q. It was not settled by differences?—A. No, sir; it was an actual transfer of stock; he paid up the money for it. He got Grant to carry it for him, and Grant paid to Gager the £42,000 that it called for for Willyams, and it was afterward sold by Grant for Mr. Willyams.

Q. Do you recollect the price of shares at the time that he took the option?—A. 28.

Q. And he took those shares at £21 for the call?—A. Yes. It may be that 28 is a little high for the stock at that time. The dispatch which came under key, and which was in a condensed form, the same as the report that was afterward made in writing, was not so written as to make any impression on the stock-market. Instead of the market going up on that report, as Lyon stated, there was not any change for a long time before and after that, more than about a pound a share. The report which was finally made in writing, and more in detail, was what put the shares up.

Q. The 2,000 shares which Willyams took, were they exclusive of the 5,450 shares which you say you had, or did they come out of the 5,450 shares?—A. They came out of them. That was part of the disposition of those 5,450 shares.

By Mr. PHELPS:

Q. State what you know in regard to the original parties concerned on the English side *in purchasing* this mine from you, complaining that

they had been in any way defrauded in that transaction.—A. There never has been a complaint to me in writing or in print, so far as I have seen. Ample testimony has been taken in the litigation there, and the old directors, and solicitors, and agents, and Mr. Coates, have, all of them, given testimony, and in that testimony there is not a word, as I understand, that reflects the least upon me or in which any charge is made as to any misrepresentation or deception on our part. I never have heard of any complaint from the parties I dealt with. I sold this mine without any representations, except those which I have given you, and which were verified afterward by three visits from three English directors, at intervals of three months apart, after which the shares were sold and brought 50 per cent. premium. I never sold one of the shares directly, nor advised any person to buy shares, except General Schenck. I have sold but very few shares at all—less than a thousand, and they were to our directors themselves. I did not sell any shares outside of our own directors personally.

Q. What is your present belief, and on what is it founded, as to the reason why that mine ceased to produce at the time it did?—A. It ceased to produce simply for the want of exploration and from bad management. I have had assurances from there since I have been there that the Bay City Tunnel Company has run into the side of the mountain about 200 feet below the lowest workings of the Emma Mine, and right under the Emma Mine, (which would belong to it as a matter of course,) and the reports are that it is a very large body of very rich ore. I received a telegram from Salt Lake yesterday, from the Bay City Tunnel Company, asking me to go out there.

By Mr. HEWITT:

Q. Who is the owner of the Emma Mine now?—A. It is owned by the Emma Silver Mining Company, of London.

Q. Mr. Lyon testified that it had been sold. Is that true?—A. There is not a word of truth in it. I got my attachment, and after waiting long enough I offered to go on and work the mine myself at my own expense and develop it, and to guarantee the company against loss, if they would allow me to do so. They had some personal property outside which was depreciating in value and which was costing a good deal to have taken care of by the sheriff—wood, timber, &c., which was going to decay, and that I ordered sold, and bought in myself. I directed Mr. Chittenden to write them a letter notifying them.

By Mr. CHITTENDEN:

Q. You did not quite finish the answer whether you suppose that the mine gave out from mismanagement, and what was the mismanagement?—A. There has been no development of the mine. There has been less development of that mine than there would be on a mine of a thousandth part its value. On either end of it, other companies are now taking out large bodies of ore, which becomes the richer as they go down. One of those companies, the Flag-Staff, had just such a break in it as the Emma had, and supposed they had lost the vein, but they went on working, and on working down about one hundred feet below, they came across the ore again, and are now taking out large bodes of it, while the Vallejo Company is taking out large bodies of rich ore at the other end.

Q. How has it been in other mines, and in mines generally, about exhausting those pockets and then striking veins again?—A. Every one that knows anything of silver-mining, knows that there is a contin-

uous vein down. You are liable to a break, and sometimes you will lose even the trace of the vein, so that you have not even sometimes a discoloration. By following it down, you may find larger bodies of ore than were found above. That is the case in the Comstock lode, where shares that once sold for two or three dollars a share are now worth thousands. They kept on sinking until they struck the vein again. I believe to-day that there is no mine on the face of the earth so promising to work as the Emma Mine in Utah, and I should like to have a chance to work it.

Mr. CHITTENDEN. On the subject of this sale, I desire to put in evidence an important letter, addressed by myself to the solicitor of the Emma Mining Company, in London, dated the 13th of October, 1875.

The letter was read, and is as follows:

CHITTENDEN & HUBBARD, LAWYERS,
11 *Pine Street, New York, October* 13, 1875.

GENTLEMEN: I address this letter to you instead of the New York counsel of the Emma Mining Company, from no disrespect to the latter, but because I wish to be certain that the facts reach the London directors, and also because the general subject has been much discussed between us during the past few weeks. I may add that the facts are all well known to Messrs. Laroque & McFarland.

I have hitherto advised Mr. Park not to sell the Emma Mine upon his judgment, because the evidence had not been taken, and the sale in advance of a trial might be criticised as unnecessary and oppressive; but the testimony in behalf of plaintiffs has now been substantially completed, and we know all the material facts. I am unable to discover in them any reason whatever why Mr. Park should any longer forego the enforcement of his judgment and the collection of his debt. I informed you, before leaving England, that if any unnecessary delay to the trial was interposed, Mr. Park would sell the mine under his judgment. I have now to say, in addition, that upon my arrival here, I find that Mr. Park has already sold upon his judgment all the personal property of the company in Utah. This sale had become indispensable to the interest of all concerned; the property was rapidly depreciating in value, it was not properly taken care of, the marshal had placed keepers over it at a very large expense, and its value was being rapidly absorbed by expenses. He therefore concluded to, and had the marshal sell it under his execution.

This sale leaves the realty in the following situation: Mr. Park has no right whatever to do anything for the protection of the mine. He has not even the right of entry into it. It is stated to him that the timbering on some of the floors is giving way, and if this is not strengthened and the mine is not constantly looked after, when the fall and winter rains come on, the mine will cave in. A small expense now will save a very large expense hereafter. Mr. Park's confidence in the mine is not only unabated, but largely increased by recent information from several other mines upon the same vein; and he is very desirous for his own justification that it should be properly explored and worked by somebody. Under all the circumstances, Mr. Park's counsel advise him to proceed immediately with the sale of the mine under his execution, but, before doing so, they advise that he should give the company ample opportunity to remove his lien by the payment of, or giving security for, the balance of his judgment. I therefore wish to inform you, and through you to inform the Emma Mining Company, Limited, of Mr. Park's intentions.

If it is the purpose of the company, or any one in its behalf, to take measures to pay or secure Mr. Park's judgment, he will give them all reasonable time and opportunity to accomplish that result; but he desires to be informed at once whether the company has any such intention. In the event of a sale, he will, of course, purchase the mine, unless other proposed purchasers are willing to pay for it more than the aggregate of his debt, interest, and costs. I trust you will at once submit the substance of this letter to the board of directors, and advise me of their conclusion in the premises. Mr. Park will wait until time enough has elapsed to receive your answer, before taking any further steps in reference to the sale.

Perhaps I should add that Mr. Park was the purchaser of the personal property at the sale, and that he has taken adequate measures for its protection in case it should hereafter be required for use in connection with the mine. I also find, in conversation with Mr. Park, that his desire that the original shareholders should have the substantial benefit of any future working of this mine, remains unchanged. It will be obvious, that if he purchases the mine, the substantial equities of the shareholders can be ascertained without much difficulty, and the benefits should be shared by the original allottees, instead of among recent purchasers of the stock upon speculation.

The term of the United States circuit court commences on Monday next. We have

entered both cases on the calendar for trial, and I am aware of no reason why they should not be tried when reached in their order.

Yours, very truly,

L. E. CHITTENDEN.

Messrs. SOLE, TURNER & KNIGHT,
68 *Aldermanbury, London, E. C., England.*

By Mr. HEWITT:

Q. Did I understand you to say that you never saw the copy of Professor Blake's second report?—A. I was not asked the question, but I never did see it.

Q. Do you know that there was one?—A. No, sir; I do not believe there was.

Mr. HEWITT. I know there was, for I have seen it.

The WITNESS. I never saw it. It purports to be written a day later than the other one.

Mr. HEWITT. I saw it, and I know the controversy that took place about his being paid for it.

Adjourned.

WASHINGTON, D. C., *April* 10, 1876.

Mr. Chittenden read and submitted the following paper on behalf of Mr. Schenck:

WASHINGTON, *April* 10, 1876.

HON. THOMAS SWANN,
Chairman:

The following resolution was handed me at the end of the session on Saturday, the 8th, with information that it had been adopted by your committee:

"That the several lists of witnesses submitted by General Schenck be respectfully returned to him, with the request that he will designate such persons whose testimony he may think absolutely essential to the presentation of his case, with a brief statement of what they are expected to prove, and the place from whence they are to be summoned."

In compliance with the request therein contained, I call your attention to the fact that the following witnesses have, as I am advised, been already subpœnaed by order of the committee, at my request:

Hon. James B. McKean, L. W. Colbath, C. E., George A. Black, esq., O. J. Hollister, esq., J. E. Clayton, esq., George Cutler, esq. all of Salt Lake City; Robert B. Chisholm, esq., of Elgin, Ill.

I do not suppose the committee intended that I should summarize the evidence of witnesses already subpœnaed; but to make the whole case plain to the committee, I may state that Judge McKean's knowledge of many material facts is already apparent, and I am informed that he will contradict Lyon upon all points within his knowledge to which Lyon has testified.

George A. Black, esq., is, I am informed, the secretary of Utah Territory, and will testify to the past and present condition and value of the Emma Mine, and that its failure was due to mismanagement.

O. Hollister, esq., is, I am informed, a practical miner and specially familiar with the Little Cottonwood Cañon, the Emma, and other mines located upon the same vein.

L. W. Colbath, M. E., has intimate knowledge of the Emma and other mines in the locality. He was one of the experts appointed by Lyon to examine the mine under the judicial order made in July, 1871. I am informed that he will give evidence that he reported this mine to his employer Lyon as being worth many millions of dollars, at a period when, as Lyon now says, it was substantially exhausted.

Robert B. Chisholm is a witness whose testimony is made necessary by the action of the committee, announced through Mr. Springer, one of its members, to the effect that one Joslyn has been subpœnaed by the committee, to give evidence tending to show fraudulent acts on the part of the American vendors. Mr. Chisholm was one of the discoverers of the mine, fully understands its history and present condition, and, as I am informed, will contradict said Joslyn when he gives such evidence.

The witnesses whom I last Thursday requested and still request the committee to summon are John W. Kerr, esq., of Salt Lake; J. P. Page, esq., of Salt Lake; George Cullen, of Salt Lake.

These are leading citizens of the Territory. Mr. Kerr is referred to by Lyon in his rrespondence with Almy, and assisted Lyon in the prosecution of his claim. He will, ım informed, contradict Lyon's testimony as to the occurrences at Salt Lake, the aracter of his claim, and will show that the mine failed through mismanagement. s will also testify as to its present valne.

Accepting the language of the committee's resolution, I think, and am advised by unsel familiar with the facts, that the testimony of all the foregoing witnesses is ıbsolutely essential to the presentation of his (my) case," and I have complied with e committee's request in making the statement of what they are expected to prove.

I shall, in addition, wish to examine General H. H. Baxter, O. A. Gager, James M. lover, Warren Hussey, Silas Williams, and perhaps one or two other witnesses who ll not occasion any expense to the Government.

I also desire to produce a suitable nnmber of witnesses of known character and poion to impeach the credit of the witnesses Johnson and Lyon, and to show that the mmittee ought not to believe them upon oath. Lyon's testimony, being the most ıterial in respect to him, I ask the committee to summon two witnesses, each from s following places:

Ogdensburgh, N. Y., where he was born, and lived for many years; Milwaukee, where subsequently did business; New York City, where he has been for some years past. ıtil Johnson is cross-examined, I cannot state what witnesses I shall require relating him, and hope I may require none.

(Not adopted.)

I have thus, after consultation with my counsel, fully complied with the suggestion the committee that I should bring the expense of this proceeding within the narrowest ıits possible, and I have excluded from the list of witnesses every person who should, my judgment, be dispensed with. If the same issnes which this committee are tryg were being tried in a judicial tribunal, I should summon all the witnesses I have licated to testify in my behalf.

It may also become necessary that Prof. W. P. Blake and Clarence King, esq., should subpœnaed for cross-examination. There is an intimation in Lyon's testimony that ofessor Blake made two reports on the Emma Mine in July, 1871. Currency has been ren to this by a letter published by Professor Blake since this investigation comnced. If Professor Blake made two reports, I am informed that he never communited but one of them to the owners of the mine, who never heard of the second until went into the employ of what is kown as the "Gardner" board. If any weight is ren to any statement of Professor Blake in this connection, I desire to have him nmoned.

In respect to Clarence King, esq., who is said to have, at some time, reported adrsely to the Emma Mine, I have to say that I am informed that evidence will be oduced to show that before Mr. King made any such report, and before the apparent lure of the mine, he testified after he had examined it that it was situated upon a e silver-vein. If his report is to be considered, I wish to have him summoned for ss-examination.

I think the committee need no assurance from me that the examination of these tnesses shall be conducted so as to occupy the briefest possible time. So far as I concerned, most of them will be confined to special points, and there is no reason y their examination should occupy more than three or four sessions of the comttee.

Very respectfully,

ROBT. C. SCHENCK.

JAMES B. MCKEAN sworn and examined.

By Mr. CHITTENDEN:

Question. You were formerly a Representative in Congress from the ate of New York, and were afterward chief-justice of the Federal urts in Utah Territory, I believe?—Answer. I was.

Q. I understand that you transmitted to the committee a memorial reference to certain testimony which had been given here affecting urself. Did you do so?—A. I transmitted to certain members of Conss, not, as I recollect, to any member of this committee, but to a Senr and a Representative or two, with a request that it should be preted to the House and to the committee, a memorial touching the gations which I understood had been made here affecting me, and I re been informed that a copy of it was transmitted to a member of s committee.

Mr. CHITTENDEN inquired of the chairman whether the memorial was before the committee.

The CHAIRMAN said he was not aware that the memorial was before the committee; he had not seen a copy of it.

The WITNESS. I sent a copy of it to Mr. Wheeler, with a request that he would send a copy of it to the committee, to be presented; and I also sent a copy of it to the contesting Delegate from Utah, Mr. Baskin, and I think Mr. Baskin told me that it had been presented.

Mr. SPRINGER remarked that Mr. Baskin had handed him a package several days ago, which he had put in his desk, but had not looked at. He would, however, procure it.

By Mr. CHITTENDEN:

Q. What was your first knowledge of any litigation respecting the Emma Mine?

The WITNESS. A suit was brought in my court soon after my arrival in Utah, by James E. Lyon, against the then owners of the Emma Mine

Q. When did you arrive in Utah, after your appointment?—A. arrived there on the 30th August, 1870.

Q. When and where did you first see James E. Lyon?—A. Within few moments after I left the Union Pacific Railroad train at Ogden, in Utah, I was introduced to Mr. Lyon, who was there at the depot.

Q. How far is that from Salt Lake?—A. I think it is called thirty seven miles. I left the main Union Pacific Railroad line at Ogden, and took the Utah Central Railroad for Salt Lake.

Q. And did he go with you from Ogden?—A. He went in the same train with me, and part of the time he sat in the same seat with me. I had never seen him or heard of him before.

Q. An application for an injunction was made in that suit in favor of Mr. Lyon, to restrain the owners of the Emma Mine from taking away the ore; was that so?—A. It was so.

Q. How soon after you got there was that application made?—A. I cannot say precisely, but I think it was some time in September, within a few weeks after my arrival there.

Q. Was there first an *ex-parte* application, on which you granted an injunction order?—A. There was.

Q. Which was afterward, on motion, and on further examination of the case, set aside?—A. Yes.

Q. Was there not a subsequent application which you refused on the hearing?—A. There was.

Q. It is stated by Mr. Lyon, on page 3 of his testimony, "Myself and attorney attempted to get Judge McKean removed for the reason that he was engaged in trying a case in his own court, one of the parties being a company of which he was president and a large shareholder." Was it true that you were at any time engaged in trying a case in your court in which you were interested?—A. Never. The statement is utterly false.

Q. Did you ever, at any time, try or propose to try a case in your own court in which you had any interest, direct or remote?—A. No, sir. There is this fact which ought to be stated in that connection. A certain suit was reached on my calendar in its order. I said to the counsel of the respective parties, "I understand that the discoverer of the mine involved in this case located me for 200 feet of the mine; that was without my knowledge or procurement; but, being located, I cannot hear the case. If you will consult together and agree upon some other judge to hear it, I will send the case to him." They did so consult across the

able, and then reported to me they had agreed upon my associate, Judge Hawley, and I made an order sending it to Judge Hawley.

Q. It is further stated by Lyon as follows: "There is a statute in Utah allowing companies to organize, under which a tunnel company had been organized, with a capital, I think, of $1,000,000. Judge McKean had taken $100,000 of the stock of that company. The law requires every director to swear that he had paid in 25 per cent., and is able to pay in the balance when called for. I think Judge McKean was engaged in two companies of that character." Is there any truth in that statement?—A. There is not. Neither while I was on the bench, nor at any time before I was on the bench, did I ever own any stock or foot in any tunnel-mining company at all. I never had while on the bench, or before I was on the bench, any other interest than the one which I have just referred to, where I was located for 200 feet in a certain mine without my knowledge.

Q. You subsequently became acquainted with Mr. Park, and this litigation continued before you?—A. Yes; I subsequently became acquainted with Mr. Park. There was not much litigation before me after that in that case.

Q. In reference to the Emma Mine or any matters growing out of it, did you ever make a decision of any kind in favor of Mr. Park or his associates?—A. At the time I speak of, Mr. Park was not a party to the litigation. I never knew him, nor did I ever hear of him to my knowledge at that time. Subsequently it was understood that he had bought an interest in the mine while Mr. Lyon's suit in ejectment was still pending. Some time after I had refused the injunction, Mr. Lyon, by his counsel, made a motion before me for an order permitting, or directing, a survey of the mine, and an examination by experts. At that time, as I understood, and as I now recollect, Mr. Park was interested in the mine. I granted the order which Mr. Lyon prayed for, and which Mr. Park and his associates in interest opposed. I do not recollect that I have ever granted any order in favor of Mr. Park. On the contrary, my recollection is that I never granted but that one order in that suit after he became interested in it, and that was against him.

Q. Had you at any time, directly or indirectly, any interest in the Emma Mine?—A. None whatever. I never have had, and have not now.

Q. So far as you know, had any of your associates on the bench any such interest?—A. No, sir; not so far as I know. My information, which I deem reliable, is to the contrary—that they had no such interest whatever. I do not believe they ever had.

Q. Were any attempts made to approach you or influence your decision in that injunction matter, in behalf of Mr. Lyon? If so, state what it was.—A. Mr. O. J. Hollister, then and now United States revenue collector in Utah, informed me (not precisely at that time, but subsequently) that James E. Lyon, having known him previously in Colorado, and, as he supposed, seeing that Mr. Hollister was a friend of mine, (being a Federal officer, as I was, and having treated me with courtesy,) came to him and said, substantially, that there was an interest of one-twelfth of the Emma Mine which was at the disposal of the judge if he would grant an injunction in that matter. I should add that Mr. Hollister expressed himself with great indignation—both that Mr. Lyon should attempt to use him in that way, and that he should attempt to reach me in that way. It was estimated—whether by Mr. Lyon or by Mr. Hollister I cannot now say positively—that that interest of one-twelfth was worth about $100,000.

Q. When, if ever, did you first visit the Emma Mine?—A. summer of 1872.

Q. State briefly how you came to visit it, and with whom, a you saw there.—A. Another suit to which the Emma Mine C was a party, but to which Mr. Lyon was not a party, was pen fore me, and it was proposed by the counsel on the one side and to by the counsel on the other side, that I should go with them a mining experts to visit the mine and inspect it in person. I did them and their experts, and went into the mine and saw it. I think there were from 12 to 20 persons there together on the v was about the month of July, 1872, I think.

Q. After Mr. Park's return from England, and after the sal mine?—A. Yes. I knew from public report about the sale, a member the visit as some time after.

Q. State whether, on that occasion, yourself or any of the ge who visited it with you discovered any signs of exhaustion, or ing, or giving out of that mine.—A. As that was the first tim seen it, of course I could not compare it with any previous con the mine. I can only say that in all the tunnels, the drifts, th through which we went pretty extensively, overhead, underfoot right, and on the left, there were very large bodies of ore. I, p should say that it seemed to me to be immense.

Q. What was the general impression that appeared to be mad number of gentlemen in regard to the value and richness of the r that visit?—A. As the object in visiting the mine was not to a whether it was failing or not, but as to whether there was an ore tion between one certain part of what was supposed to be the m another mine, that question was not very much discussed in n ence; but it seemed to be taken for granted that it was a good m from the exertions made by the parties litigant, and by couns evidently deemed it worthy of a hard-fought contest.

Q. Have you any personal knowledge or have you ever heard mor that Mr. Park or any of his associates in the ownership mine had ever attempted any impropriety in regard to the judi in regard to the executive officers of the judiciary, or in any ot in respect of this mine and their interests in Utah?—A. I do n lect that I have heard anybody there say anything of that ki have I did not pay any attention to it.

Q. Have you known of any such irregular or improper atte influence the judiciary in regard to that mine by Mr. Park or h ciates?—A. I cannot say that I have any knowledge at all on t ject. They would not be very apt to communicate with me on ject. I had nothing to do with the purchase or sale of the mine. not called upon and was not represented in it. This mine has great excitement, and much has been said of it and publishe newspapers. We have all sorts of people in Utah, and very man have been intimated about it. Of my own knowledge I know r I cannot recall half of what I have heard or read in the new about it.

Q. Do you still reside in Salt Lake?—A. I still reside in Salt

Q. What is the public impression there among reliable me reason for the apparent failure of the Emma Mine?—A. I hav many miners, practical miners, and men of scientific attainme press the opinion that the mine had not been properly worke it had been very badly worked, either owing to incompetent honest management, or both, and it is the opinion of such me

as I have heard them express any opinion, (and I have during the last several years frequently heard them express it,) that it is still a good mine, and that it has always been a good mine. I was trying, to-day, to recall an expression of opinion adverse to the merits of the mine on the part of any one who was entitled to be called an expert, but I cannot recall a single one.

Q. I wish you to state whether the subject of Professor Silliman's report and his examination of that mine has been recently discussed a good deal in Utah.—A. It has been, not only recently but formerly.

Q. Do you know a Dr. C. F. Winslow?—A. Very well.

Q. Who is he and what is his profession?—A. Dr. Winslow was formerly of Boston, but for some years past has been in Salt Lake City. He is a medical and scientific gentleman and the author of the work entitled "Force and Nature." He is a gentleman who has contributed some scientific papers to scientific periodicals that have attracted much attention. He is there somewhat interested in mining matters for himself and others.

Q. Is he a gentleman of high reputation?—A. He is; intellectually and morally.

Q. Have you any means of knowing his opinion in reference to that mine and of Professor Silliman's report?—A. Some week or ten days ago Dr. Winslow read me a letter he had recently addressed to Professor Silliman, and at my request he furnished me a copy of it, which I hold in my hand.

The witness read the letter, as follows:

Copy of Dr. C. F. Winslow's letter to Professor Silliman.

SALT LAKE CITY, U. T.,
March 14, 1876.

DEAR PROF. SILLIMAN: As I think the purchasers of the Emma Mine—I mean the English buyers—are suspecting you of collusion with Mr. Park in misrepresenting the richness of the mine, and doing you great injustice thereby, and inasmuch as the present congressional attention to the subject is reviving these aspersions upon your scientific and moral character, I take this opportunity to say in your justification that in the summer of 1871 I was traveling east with John C. Fall, esq., a gentleman well known in the commercial and mining world, especially in California and Nevada, and that during our acquaintance he stated to me that he had just inspected the Emma Mine, and that it was a wonder to behold in richness and apparently boundless wealth. He said the abundance and richness of the deposits exceeded all description, and were so fabulous as to remind him of the story of Aladdin's Lamp. I may not give his exact words in this continuous connection, but such were his general remarks and conclusions relative to the enormous value of the Emma Mine from his personal inspection.

All who know Mr. John C. Fall, and his experience as an expert in any examination of this sort, must acknowledge the weight of his opinion. I think Mr. Fall cannot have forgotten his impressions of that property or the tenor of his remarks to me at that time, June, 1871.

This statement will equally justify Mr. Park in asking a big price for that property, and the buyers in giving it. Their subsequent mismanagement of so valuable a property and their abandonment of it because they encountered a fault or in consequence of *a wretched superintendency by a profligate agency* is no fault and no reflection upon the honor of Mr. Park. The apparent richness and probable permanency of the ore deposits and seams in 1871 justify you entirely in your report and exonerate Mr. Park. also from all attempt at fraud in his representations of the character of that property

I remain, your sincere friend,

C. F. WINSLOW.

P. S.—You can use this letter in any way you please if it is of service to you.

Mr. SPRINGER having presented the memorial referred to by the witness in the first part of his testimony, he asked to have it made a part of his testimony, and it was so ordered. It is as follows:

MEMORIAL.

To the honorable the Senate and House of Representatives of the United States in Congress assembled:

GENTLEMEN: The press dispatches from Washington state that in the Schenck investigation, pending before the House Committee on Foreign Affairs, one James E. Lyon has given testimony. The report runs thus:

"The witness originally owned a third interest in the Monitor lode, which afterward became the Emma Mine, his interest in which was purchased by Baxter and Park. Suits arose, and witness employed as counsel Ex-Senator Stewart of Nevada and General Hillyer. Witness and Stewart visited Salt Lake, where they met Senator Morton, to whom Stewart related the difficulty of obtaining a trial in the courts of that Territory. Morton said it was all wrong, when Stewart replied, if Morton would assist he should have $20,000. An effort was made to have Judge McKean removed, but without success. They objected to McKean because he was engaged in trying in his own court a case in which he was interested, being the president of and a large stockholder in the company engaged in litigation with another similar mining company. McKean was also interested to the extent of $100,000 in the Tunnel Mining Company, which was organized with a capital of $1,000,000. The other justices were joint partners in the Emma Mine interests adverse to him."

This testimony, so far as it inculpates me, is made up of lies, without containing one truth. This man, Lyon, in the fall of 1870, brought a suit in my court, in Utah, against the owners of the Emma Mine. He failed in an attempt to bribe me with $100,000. He failed to make a case entitling him to an injunction. He then went to Washington, and, under the pretence of retaining them as counsel, attempted to bribe men in high places to exert their political influence to secure my removal from the bench. He failed with some of them, and the conspiracy failed. But he set afloat the falsehood that in the litigation between the Silver Shield Mining Company and the Velocipede Mining Company I had tried a case in which I was interested. That slander has been again and again stamped into the ground; and, as bearing upon it, I refer you gentlemen, to the papers hereto attached, and marked Nos. 1, 2, 3, and 4.

And I declare that neither while on the bench, nor before I was on the bench, did I own one share or one dollar in any tunnel-mining company in the world, nor in any mine, save two hundred feet in the Silver Shield Mine, in which I was located without my knowledge or procurement.

In swearing that "the other justices were joint partners in the Emma Mine interests," I believe Lyon commits perjury, as I know he commits perjury in regard to me. If my testimony is necessary, either before the committee or a grand or petit jury, I pray that the proper officers summon me. A few weeks hence will suit my convenience better than now.

I have the honor, gentlemen, to subscribe myself, your respectful petitioner,

JAMES B. McKEAN,
Ex-Chief Justice of Utah.

Dated SALT LAKE CITY, *March* 1, 1876.

Letter from United States Attorney Hempstead.

SALT LAKE CITY, *June* 12, 1871.

Hon. JAMES B. McKEAN: I have the honor to acknowledge the receipt of your note of this date. * * * In reply I have the pleasure to say that, so far as I know, and I believe I am conversant with all the facts, you are interested in but one mining claim in this Territory, viz, as one of the original owners of 200 feet (one claim) in the Silver Shield lode; that under the mining rules and the laws of Congress, a discoverer is allowed to locate in his own name but 400 feet on any lode or vein, and the invariable custom is to place on his notice the names of others as claimants of one claim of 200 feet each. When Mr. Appleby discovered the Silver Shield lode, above sixty miles from Salt Lake City, he added the names of others for one claim each, and among them your name. During the winter the lode was prospected and worked by Mr. Appleby and some of his associates, and not until several months afterward, when the claim developed into a valuable mine, did you know of your being the owner of the mining interest, as I have abundant means of knowing.

As usual (I might say universally) with valuable claims, in the spring, another party of miners commenced sinking a shaft very near to the Silver Shield shaft, and manifestly on the same vein, claiming to be prior occupants and owners. * * * Soon after the above-mentioned intrusion upon the Silver Shield ground, I was employed, with R. N. Baskin, esq., as the legal adviser of the Silver Shield Company. We instituted an action in equity to obtain an injunction against the alleged intruders—the

Velocipede Company—and necessarily, on account of the venue, brought the action in the third district court, of which you are the judge. Immediately on the appearance of the adverse parties you stated from the bench that you were a party in interest, and declined to make any order other than for transferring the cause, and all interlocutory matters therein, to one of the associate justices; and by agreement of counsel on both sides, the entire cause was remitted to Mr. Justice Hawley. Subsequently a cross-action was instituted by the Velocipede Company, and both causes are now pending, nominally in the third district court, but really before Judge Hawley, in chancery. As one of the attorneys of the Silver Shield Company, I am necessarily conversant with all the facts; have advised that it has title to the mine, and the institution of the suit.

The foregoing are the open, notorious, undisguised facts of the case; but it may not be improper for me to add, as a member of the bar and a fellow Federal officer, that I have been and am entirely unable to discover or suspect any seeming impropriety in your course in this matter, either as a judge or as a man. It is also within my personal knowledge that other causes, involving different questions, yet relating to titles to mining-property in the neighborhood of the Silver Shield, but entirely unconnected with it, have been in litigation before you, and such causes have likewise been referred to one or other of your associates, the ostensible reason given being the pressure of business before you, but as I strongly suspect and believe, the real reason being what I considered an over-sensitiveness against seeming to sit in judgment in cases which might be thought to have some supposed connection with the Velocipede-Silver Shield litigation.

In conclusion, permit me to say that you are at liberty to make such use of this communication as may seem proper to you.

Very respectfully and truly, your obedient servant,

CHARLES H. HEMPSTEAD,
United States Attorney.

Letter from Ex-Judge Smith.

SALT LAKE CITY, *October* 20, 1873.

SIR: About the time I changed my residence from Utah to the State of Nevada, I visited the Walker House several times, that I might obtain an interview with you, and communicate personally what I herein write. During the examination of E. A. W., on the charge of perjury, before Jeter Clinton, in August last, in the course of an angry debate with Mr. Baskin, I made an unjust reflection upon a ruling made by you in the hearing of the case of The People *vs.* Haskin. The reflection was as undeserved as unnecessary, and was no sooner made than regretted; but that was not the time nor place to make the proper apology. I take this opportunity to say that I regret the words then spoken, and, if you desire it, I am ready to make apology in open court.

Again, much has been said in the public prints concerning your connection with the case of the Silver Shield against the Velocipede. Of that I have this to say:

First. Almost from the inception of the case, I occupied the position of attorney for the Velocipede Company in that action.

Second. I know that you never gave a hearing in that case; but, on the contrary, you transferred the cause for hearing to Justice Hawley, and that you granted every order necessary to give Justice Hawley complete jurisdiction of the case.

Third. I know of no act of yours in the case that makes against you as an honest man or an upright and conscientious judge. Upon this matter I hold myself in readiness, should you deem it of any importance, to furnish my affidavit in support of the above declarations. I have done this much as a sense of duty, and, believe me, it has the sanction of my heart as well as the approval of my judgment.

Respectfully, your obedient servant,

F. M. SMITH.

Hon. JAMES B. MCKEAN.

Chief-Justice McKean demands investigation!—A grand jury of Mormons and non-Mormons unanimously vindicate him!

TERRITORY OF UTAH.
THIRD DISTRICT COURT. } October term, 1874.

Special charge of Chief-Justice McKean to the grand jury, at Salt Lake City, October 19, 1874.

GENTLEMEN OF THE GRAND JURY: Yesterday the Salt Lake Daily Herald published, in its editorial columns, the following article:

"HITTING HIS HONOR.—When such broad insinuations and direct attacks are made

on our chief-justice, the Herald is sorry that it cannot defend him; that is, the Herald regrets that Utah has a chief-justice who is indefensible when such attacks are made. The annexed gouge *sub toga* is from the Virginia (Nevada) Independent:

"In his recent charge to the grand jury of the third district of Utah, Chief-Justice McKean directed them to inquire into the disposal made by the territorial legislature 'of vast tracts of public lands, of many streams of water,' and of 'vast forests of timber.' What will be done with them after they have been 'inquired into' we do not know, unless, indeed, with the accommodating spirit for which the chief-justice of Utah is so remarkable, he appropriate them to his own use and profit, as he did the Silver Shield and a couple of other mines. While we rejoice that a day of atonement has at last come for the extra-legal and semi-barbarous practices of the Mormons, we cannot help wishing that the instrument employed to bring it about were worthier the work than McKean."

I charge you, gentlemen of the grand jury, to inquire into the truth of the accusations and innuendoes contained in this article, and if you have reason even to suspect them to be true, indict the chief-justice of Utah. And while you have his case in hand, inquire into his whole life, public and private, here and elsewhere, and if you find that at any time, in any place, he has ever committed an offense of any name or nature, indict him for it. He will make no objection to the venue; he will plead no statute of limitations; he will interpose no technical or dilatory obstacles; but, taking his place in the prisoner's dock, he will squarely and instantly meet the charge upon its merits.

But, gentlemen, if you find the charges and innuendoes which I have read to you to be false, then indict the proprietors and editors of the Salt Lake Daily Herald for libel. Their names are believed to be John T. Caine, William C. Dunbar, Byron Groo, and one Fuller, whose Christian name is not known to the court.

Whatever indictment you shall find in pursuance of this special charge will be tried before one of the associate justices, and the editors and proprietors of the Salt Lake Daily Herald may select the judge for that purpose.

Gentlemen, please to take this copy of that newspaper and return to your room.

REPORT ON THE HERALD SCANDAL.

TERRITORY OF UTAH, THIRD JUDICIAL DISTRICT, SALT LAKE COUNTY,
Grand-Jury Room, Salt Lake City, October 30, 1874.

To the honorable the Judge of the Third Judicial District Court:

The grand jury of said district respectfully beg leave to report that they have diligently inquired into, and thoroughly investigated the matter referred to them in your special charge, delivered on the 19th day of October, 1874, relating to certain libelous allegations made in the Salt Lake Herald on the 18th instant against the integrity of the chief-justice of this Territory.

And we find upon examination of many witnesses, including the editors and proprietors of the said Salt Lake Herald, that the allegations so made were utterly groundless, and without foundation, either in truth or presumption; that the evidence adduced before the grand jury upon this special matter was uniformly a vindication of the honesty, integrity, and impartiality of the chief-justice of Utah; and we deem it our duty to so report to this honorable court, as the result of our investigation in that behalf.

And the grand jury would further say, that while we condemn the Herald's attacks on the chief-justice, as well as much that appears in many newspapers, yet the freedom of the press is so essential to the general welfare of the people, that we do not deem it advisable at this time to indict the editors and proprietors of that paper for its unjustifiable attacks on the judge of this honorable court, believing that the good sense of the country will recognize merit, and never give undue credit to libelous newspaper charges.

And the grand jury respectfully request that this be spread upon the court records.

Unanimously adopted.

JOHN CHISLETT,
Foreman Grand Jury.

The CHAIRMAN. I observe that the counsel in the examination of Judge McKean inquired as to the character of Mr. Lyon. It was ordered at the last meeting of the committee that there should be no reference to the character of Mr. Lyon or anybody else, because if such questions were allowed they would give rise to crimination and recrimination. General Banks offered the resolution at the last meeting of the committee to that effect, and the resolution was unanimously adopted.

Mr. PHELPS. I would like the opportunity to be heard before that ıestion is finally disposed of.

The CHAIRMAN. The committee has disposed of that question at its st meeting.

Mr. FAULKNER. As I understand the action of the committee, it went) this extent: In the letter of General Schenck which we had before s, he indicated three witnesses whom he desired to have examined for he express purpose of impeaching Mr. Lyon and of proving that he was ı man of generally bad character. The committee reached the conclu- ion that that sort of testimony, if gone into, would be of indefinite dura- ion, and the committee overruled that part of the application of Gen- ral Schenck to have that class of witnesses summoned, on the ground ıpecially that Mr. Lyon's statement consisted almost entirely of hear- ıy, either from Mr. Park or from Mr. Stewart, and that Mr. Park and r. Stewart were both here and had given in their testimony, con- adicting Mr. Lyon to a certain extent, perhaps to the full extent, and ıssibly confirming him in other matters. The committee was averse going into any inquiry as to general character, as being too indefinite thing and apt to lead to the almost endless production of testimony. The reporter, by the direction of the chairman, read a portion of ıdge McKean's testimony referring to the character of James E. Lyon r truth and veracity.

Mr. SCHENCK. I feel it due to myself that the committee should be ıt in possession of this explanation: I never heard that a resolution that kind had been adopted by the committee until about the time that ıdge McKean was beginning his testimony. The resolution was then ıown to me. It appears to have been passed not at the last meeting the committee but at the meeting on Friday, April 7. I ask the erk to read the minute of it.

The clerk read as follows:

General Banks moved that the credibility of witnesses shall not be brought into this ıvestigation.

Mr. FAULKNER. I do not think that that resolution expresses the pinion of the committee. The design, as I understand it, was simply o exclude that class of testimony which goes to the general character f the witness, believing that such testimony would lead to an almost ndefinite extension, without accomplishing any good result.

Mr. SCHENCK. I understand that that is the limitation proposed to be ;iven to the meaning and effect of the resolution—not that we must not ›ffer testimony contradicting the statements of the witnesses.

Mr. FAULKNER. By no means; certainly not. You may impugn his redibility as much as you please by facts, by contradicting what he ıas said, but you must not go into this general inquiry as to the gen- ral character of the witness.

Mr. SCHENCK. With that explanation I desire to go on and show in ı very few remarks the position in which this places me.

In the first place, I am put in a false position toward the committee by ıot knowing that on Friday last the committee had passed a resolution ›f that kind—a resolution which would cut off a portion of the testimony hat I asked then to be permitted to introduce on the question of the eracity of the witness. I was only requested to condense, as far as ›ossible, my list of witnesses. I reduced the number, and made it as onvenient in point of time for examination and as easy in point of cost o the Government as I could. And, now, this very morning, we have ut in another application, and in that application have included the ıme request for witnesses on the question of veracity, as we did not

know that it had been foreclosed by the resolution which the committee had arrived at. I am sorry that we were not made aware on Friday that the question had been already raised and disposed of, so far as the committee was concerned. This I say in respect to my apparent false position before the committee, for I would seem to be pressing again and again a request to have witnesses subpœnaed after the committee had decided not to hear testimony of that kind, but, as I say, I was not aware that any such resolution had been arrived at.

Now, in regard to the position of the committee on its merits, I have but this to say: Mr. Lyon's testimony is, as I have had occasion before to remark, (as well as the testimony of Johnson,) of a very loose character. It is, as I once characterized it, hearsay testimony, hearsay even in the second degree, saying that somebody said he had heard somebody else say it. It consists of innuendoes, or inferences from hearsay — It is not confined to what Mr. Park said or to what Mr. Stewart said — Lyon and Johnson have both gone on to speak of the state of the public mind, or of events more or less public in their character, in relation to my connection with the Emma Mine. All through, their testimony is pervaded with that sort of loose statement, and this statement is calculated to injure me before this country and before the world; statements that were published here; statements that were published there; statements of such a character and so disparaging to me that within five minutes after I saw the telegraphic report of what Lyon had said before this committee, I determined to come by the very next steamer in which I could get passage to the United States.

It is not for me to determine as to the wisdom or propriety of a decision of this kind being arrived at by the committee, but having been arrived at under these circumstances, it takes me by surprise, in the first place because I have been pressing on the committee questions which I would not have raised if I had known that that conclusion had been arrived at, and at the same time it leaves me not quite satisfied with the explanation given by Mr. Faulkner in regard to the limitation of Lyon's and Johnson's testimony. In that testimony they go over the whole state of public opinion in London and England, connecting me more or less with that that which they would fain claim to have been in itself a fraudulent enterprise, and with which they further sought to impress the committee with the idea that I was improperly connected. I thought, therefore, that I would be permitted not only to contradict point by point, so far as witnesses could be produced, the statements made by these witnesses of a disparaging characterto me, but that I should be able to show what their general character was.

Mr. FAULKNER. The committee adopted your entire *projet* of witnesses with the exception of striking out the names of those witnesses who were to impeach the general character of Lyon, as no practical result could follow from going into that testimony.

The CHAIRMAN. I was under the impression that the secretary had communicated both those resolutions to General Schenck.

Mr. SCHENCK. No, the secretary only gave me a copy of the resolution requiring me to amend the list of witnesses.

The CHAIRMAN. I requested the secretary to communicate both resolutions to you, and I was under the impression that it had been done.

Mr. PHELPS. As there is not now a quorum of the committee present, I would respectfully suggest whether, at some future meeting, perhaps to-morrow, when a quorum is present, the committee would be disposed to hear us briefly on the point, and in the mean time we will go on with other evidence.

The CHAIRMAN. We will do that.

At the meeting of the committee next morning the subject was again brought up; and, after discussion, counsel for Mr. Schenck withdrew the application for witnesses as to the general character and reputation of James E. Lyon for truth and veracity; and such testimony as had been already given on that point was ordered to be expunged.

WASHINGTON, D. C., *April* 10, 1876.

WARREN HUSSEY sworn and examined.

By Mr. PHELPS:

Question. State your residence and occupation.—Answer. I live in Salt Lake City. I am engaged principally in mining, in opening mines.

Q. Where did you live before you went to Salt Lake City?—A. I lived in Colorado from 1861 to 1866.

Q. Did you then go to Utah?—A. Yes.

Q. What were you engaged in in Colorado?—A. In banking and mining.

Q. And when you first went to Utah what was your business?—A. I was carrying on a private banking business of my own. After that I was carrying on a national bank prior to going into mining.

Q. Of which national bank you were president?—A. Yes.

Q. When were you first acquainted with the Emma Mine?—A. In the spring or summer of 1870.

Q. Did you buy an interest in it?—A. Yes; I bought later in that year; in November or December, I think.

Q. What interest did you buy and at what price?—A. I bought one-fourth interest of the mine, for one hundred and fifty thousand odd dollars, currency.

Q. When did Walker Brothers buy an interest in it?—A. They bought an interest in the spring or summer before me, from three to six months before me.

Q. What interest did they buy, and at what price?—A. They bought one-sixth interest, for $30,000.

Q. Who were Walker Brothers?—A. They were leading merchants and bankers in Salt Lake City, men of high standing there.

Q. When and where did you first see Mr. Park?—A. I first met Mr. Park in the Saint Nicholas Hotel in New York in the month of March, 1871.

Q. For what purpose did you meet him, and in whose presence?—A. I went with Mr. Walker to give to Mr. Park the history of the Emma Mine, and to give him a map of the mine and try to induce him to go out and look at it with a view to his taking an interest in it.

Q. When he afterward came out did you meet him at Salt Lake?—A. Yes.

Q. Do you recollect when that was?—A. I think it was in April, 1871.

Q. Did you visit the mine with him?—A. Yes.

Q. Do you know whether he examined the title?—A. Yes, he examined the title thoroughly, or claimed to do so.

Q. What interest did you and your associates sell to Mr. Park, and for how much?—A. We sold him a half-interest in the mine, (each party selling alike) for $375,000, being at the rate of $750,000 for the whole mine.

Q. Was that the price which you originally asked him?—A. No, sir; the price originally asked him was $1,500,000 for the entire property.

Q. State to the committee briefly why you sold him one-half the mine at the rate of $750,000 when you had originally asked twice that amount.—A. My object in making the sale was to get Mr. Park and his associates interested with us. The parties who were interested with us were not willing to stock the mine and to place it where the returns would be known. They were simply working it together, and I thought that if the mine was understood, the half of the interest which I owned would be worth a good deal more to me than the whole of the interest as it was.

Q. How far did the pending litigation enter into your views in selling?—A. We had a suit against us (Lyon's suit) which was giving us a good deal of trouble. Mr. Park had asked me to inquire in New York about his ability to manage the matter. I did so, and I was satisfied that we would be in good hands if he took charge of that litigation. That influenced me largely in the matter. There were many other suits or claims pending against the mine.

Q. Would you have sold the whole mine at that price?—A. No, sir, by no means.

Q. What did you think the value of it was?—A. My own estimate of the mine was perhaps higher than that of some of my associates. I would not have sold my entire interest in it for less than at the rate of $3,000,000 for the mine.

Q. You then regarded the property as worth that sum?—A. I did, and in that offer to sell it for a million and a half dollars I hoped to retain a part of my interest in the mine by becoming a purchaser with the parties who were to purchase.

Q. After Mr. Park purchased his interest in the mine of you, to what extent was it worked?—A. We pushed the mine to its entire capacity; we were anxious to get out all the ore it would yield.

Q. Down to what time?—A. Down to the 1st of August, 1871.

Q. What was the reason for your pushing the mine so vigorously?—A. We had a very favorable contract with the Union Pacific Railroad Company, for shipping our ore to New York. Formerly we had been sending all the ore to San Francisco on the Central Pacific Railroad. The Union Pacific Railroad Company, in order to get our business, made us a very low rate to New York, and made a contract with us for a year, so that we changed our shipment from San Francisco to New York, and we shipped from New York to Liverpool. In order to get the advantage of that contract, which was to expire on the 1st of August, (the company having notified us that it would not renew it, and having in fact tried to get out of the contract,) we were anxious to get out all the ore that the mine would produce prior to the 1st of August.

Q. Were you there at the time that Professor Silliman examined the mine?—A. I was at Salt Lake then.

Q. State whether or not, previous to that examination, anything had been done to the mine to prepare it for inspection or to make it look more favorable, for the purpose of inspection.—A. Nothing whatever, to my knowledge.

Q. Were there any instructions of that kind given by the owners to the superintendent in charge of the mine, or to anybody else?—A. Never, to my knowledge. And if any such had been given, I certainly should have known it.

Q. You have read Professor Silliman's report?—A. Yes.

Q. What do you say to the committee, from your acquaintance with

to the truth of the statements of that report? In your
re they true or not?—A. In my judgment they were correct.
vas not more favorable than I expected it to be. The
re in sight were very large. I had never measured them,
ates which Professor Silliman made were not larger than I
n to be.
n the time of Mr. Park's purchase from you and the time
Silliman's report, what had been the result of the working
ıs to developing its apparent reserves?—A. After the 1st
› paid more attention to developing. We had run then,
to the time Professor Silliman came to Utah, quite a long
a new body of ore—another large chamber—and exposed
of ore which, at the time that Mr. Park bought in, were
ıs.
d the mine in its general appearance compare, when Profes-
examined it, with the time when Mr. Park examined and
A. When Mr. Park examined it first, there was only one
ıre open. When Professor Silliman examined it, we had
er chamber apparently as large as the first.
appeared to be more valuable at the time of Professor Sil-
t than it was when Mr. Park first examined it?—A. It did;
that there was more ore in sight, and from the fact that the
d farther than we supposed at first it would extend.
know of any influence or offer to exert any influence on
iman in the matter of that report?—A. None, whatever.
companied him to the mine?—A. I do not recollect. I do
t I went into the mine with him. Some of the other own-

' other experts?—A. Not to my knowledge.
ou there when Mr. Brydges-Willyams, of England, visited
made an exploration?—A. Yes; I was in Utah.
ı see Mr. Willyams?—A. Yes.
ad been the explorations from the time of Professor Silli-
to the time of Mr. Brydges-Willyams's examination?—A.
lower down had been run into this new bed of ore and the
had been also extended farther into it, and some of the
ıad also been extended.
ere the developments of ore in sight at the time that
lyams saw it, as compared with the time that Professor
it; was it greater or less?—A. They had been very largely
exploration, and the amount of ore in sight was much larger.
the apparent value of the mine had increased?—A. Yes.
hether any steps were taken, to your knowledge, to affect
s's opinion, or whether the mine was in any way prepared
tion, or whether anything was done to induce a more fa-
t.—A. Nothing whatever, to my knowledge.
v Mr. Willyams there?—A. Yes; frequently.
pressed to you his opinion after examining the mine with
may state what it was.—A. He expressed himself as highly
the mine; that there was a much larger showing of ore
cted to find. He found a larger property than it was rep-
e.
inform you whether he sent back and bought more stock
legraph?—A. Yes; I think he mentioned that.
v Professor Silliman's second report, which he made when
lyams was there; what do you say as to the truth of that?—

A. That it was correct, to the best of my knowledge. I had not made the measurements that Professor Silliman did, but the bodies of ore there were very large.

Q. Did the report which he made at all surprise you?—A. Not at all.

Q. After the London sale what position did you occupy in reference to this mine?—A. I was the resident-manager of the company at Salt Lake.

Q. Who was the superintendent of the mine?—A. Mr. Silas Williams.

Q. What was your particular duty?—A. To attend to the purchase of supplies, the transmission of money, the paying of men, the selling and shipping of ore, &c.

Q. How long did you continue to be the manager?—A. Something over a year, I think.

Q. Until what time?—A. Until I was relieved by Mr. Atwood, in January or February.

Q. Who was he?—A. A mining superintendent who was sent out from the London office.

Q. Then you continued until January or February, 1873?—A. I think he came out about that time. I was not in Utah when he arrived there. I met him in New York on his way to Utah.

Q. Evidence has been given about a certain telegram signed by Hussey, Willyams, and Silliman, all three; have you read it?—A. Yes; I have a copy of it here.

Q. State whether there was any special object in sending that telegram.—A. There was no special object. It was intended to be a telegraphic report of the condition of the mine.

Q. How often did you send those reports?—A. This was a special report. I telegraphed usually once a week the shipments of ore and the production of ore.

Q. Had you any special object in sending that telegram except merely to communicate information of the mine?—A. None, whatever.

Q. Was it designed to affect the stock-market or to assist in the purchase or sale of the stock?—A. Not in the least; there was no such intention.

Q. Was the dispatch true as therein stated?—A. Yes.

Q. Explain to the committee the part of the telegram which has been criticised in regard to the finding of the large body of ore and the assaying of certain samples of the ore.—A. At the time that Professor Silliman made the second examination of the mine the lower level, which was called the 58-foot level, had been explored a long distance farther to the northwest, and in that level and some distance out we had started a winze. That winze was down to about the depth of 35 feet. When Professor Silliman and Mr. Willyams returned from California, that winze had been sunk to a depth of 70 feet, which was 70 feet lower than the mine had ever been explored heretofore, and the level from that winze had been run 40 feet in ore. The company in England knew nothing about that. There was found the richest ore that we had struck anywhere. In sending this telegram, "Very great improvement since last report; on 7th floor drifted 120 feet, and on 10th floor 40 feet, all in ore," there was a period in the dispatch, and there ended that description of the mine. Then we went on to say, "At bottom of winze, 70 feet below old workings, drifted 40 feet, all in ore, sample of which assays 28 per cent. lead and $2,000 silver." The assay was $1,995, but the cost was less to telegraph two thousand than to say nineteen hundred and ninety-five. That is the only discrepancy in the dispatch. Then we

›n to say, "Reserves discovered since last report, over 8,000 tons;" ng all the reserves discovered below and all the reserves discovered . There was no connection intended between this, "8,000 tons" ıe "$2,000 per ton." Then we went on to say, "Everything con- l with the mine is highly satisfactory. Mailed supplementary ;. Cañon road still bad. Shall forward 1,000 tons first-class ore rith. Have 65 tons of bullion, worth $20,000; propose selling here. ;ged all other matters here. Will report fully on return."

supposed in sending that dispatch that we were sending it to people vould understand it. We had no more idea that the $2,000 per ould be applied to the 8,000 tons of reserve discovered than we ıat it would be applied to the 65 tons of bullion. Anybody who stood mining matters would at once infer that that 65 tons of bul- ad taken the produce of at least 2½ tons of ore to each ton of bul- It would consequently have taken no less than 162 tons of ore to ce that 65 tons of bullion. Hence, any one looking at this dispatch, ding it with attention, would understand that we got that bullion ›lting our own ore, and consequently there was no excuse for esti- g the value of that product at any greater rate than we put down which would be about $125 per ton. Any one who wished to get calculation could have made it in a minute. The assay at $2,000 nly mentioned to show that in that lower level, where the company ad no report as to developments, we were finding the richest ore vas found in the mine.

Did you ever learn or have any reason to suppose, until Lyon's ıony was given in this case, that anybody in England understood :elegram differently from what you say it reads and was intended understood?—A. No, sir; there was no such intimation whatever. ompany acknowledged the receipt of the telegram by letter.

Were you at Salt Lake when Mr. Stanley came there after the had been flooded, and after the controversy had arisen with the is Tunnel Company?—A. I was.

Did you see Mr. Stanley and converse with him?—A. Yes, I went ıim to the mine.

How fully did he examine it?—A. Very fully. He was there at ›nt times and staid some time.

What assistanee did he have in examining it, in the way of miners xperts?—A. All that he required. I do not recolleet how many ns he had.

What was his conclusion, as he expressed it to you?—A. He was ›tly satisfied with the mine and its future.

What did he say about it?—A. The substance of his remarks was :here seemed to be more ore in sight than he expected to find; that eposits of ore were larger and the mine was a stronger mine than pected.

Was Mr. Park there when Mr. Stanley was there?—A. He was.

Do you know anything of a proposition then made by Mr. Park to ıase the mine at $5,000,000?—A. Yes.

Were you a party to that arrangement?—A. Yes; we consulted her over it. Mr. Park made that offer for the mine, and I was to with him for the purchase of it.

Was that a genuine offer, and were you prepared to carry it out if l been accepted?—A. Yes.

For $5,000,000?—A. Yes. We expected to place the mine in Cali- ;.

Did you then, after Mr. Stanley's examination, make any purchase

of stock in England on your own account?—A. Yes; to the extent two or three hundred thousand dollars.

Q. Then it is hardly necessary to ask you what you thought of the value of the mine. Did you think it worth less than $5,000,000?—A. No, sir; I was buying it at the rate of $5,000,000.

Q. What did you pay for what you bought?—A. One or two pounds above par; £21 or £22.

Q. Were you there when Mr. Anderson came from England?—A. Yes; I met him there and took him to the mine.

Q. How thoroughly did he examine the property?—A. Very thoroughly. I do not think there was an opening in the mine which Mr. Anderson did not go through. He gave it a very careful examination.

Q. How long was that after the sale in England?—A. Almost a year.

Q. What did Mr. Anderson conclude?—A. Mr. Anderson was highly delighted with the mine. To express it in his own words, he said that he was perfectly satisfied with the property. He said "we have paid a large price for this mine, but we have got a good property." It is worth the money.

Q. Did you at that time, a year after the sale to the London purchasers, purchase any stock in London on your own account?—A. Yes I bought again largely.

Q. To what extent?—A. I think at that time I purchased in the neighborhood of $400,000.

Q. At what price?—A. From £20 to £23, the par being £20.

Q. As late as that time, one year after the sale of the mine to the London purchasers, was there, so far as you could ascertain or discover, any appearance of the mine giving out?—A. Not the slightest; quite the contrary. There was every appearance of its extending and continuing.

Q. In reference to Mr. Park's advance of money to the company to enable it to make dividends in the fall of 1872, were you consulted on that subject before the advances were made?—A. I think that Mr. Anderson and I consulted Mr. Park about it. Mr. Anderson was chairman of the board.

Q. What was the purport of your consultation and the result of it?—A. That we had ample ore sold and coming out, and being sold, to keep our dividends along, but that we had to sell it for short-time paper, and that if Mr. Park advanced the money to pay the dividends, we could pay him off at once from the mine.

Q. The question was, whether you should obtain the money in advance of your returns from the sales of ore?—A. Yes.

Q. And your decision was that you had ore enough to re-imburse the advances, so that it was safe to obtain them?—A. Perfectly.

Q. What was the understanding with Mr. Park in reference to his making the advance?—A. It was mutually agreed between us all that we should send Mr. Park the time-paper which I took for the ore as fast as the sales occurred, and that out of that he would be re-imbursed.

Q. So that Mr. Park would be repaid, how soon after making the advance?—A. I expected to have returned him everything by the first of January.

Q. A letter was put in by Mr. Park purporting to be written by you. Was that letter written by you at the time of its date?—A. Yes.

Q. Were the statements in that letter true?—A. They were.

Q. I offer you now three letters purporting to be signed by you, dated November 18, December 2, and December 9, 1872. Examine them, and

state whether they were written by you at the time they bear date.—A. They were written by my clerk, at my direction.

Q. And signed by you?—A. No; they were signed by my clerk.

Q. Are the statements in these letters true?—A. They are.

The letters were put in evidence, and are appended to this day's proceedings.

Q. Had the arrangement with Mr. Park to make this advance on your sales of ore anything to do with any purchase or sale in London?—A. Not the slightest, to my knowledge.

Q. Was there any secret about it?—A. None whatever. I advised the board of it. In fact, the chairman of the board made the arrangement himself, and I supposed of course that it was known to the board.

Q. How did it happen that after December you failed to be able to make the remittance to Mr. Park, which you expected to make in re-imbursing him for these advances?—A. I think it occurred principally from the falling off in the quality of the ore.

Q. In what part of the mine was that?—A. In the upper workings.

Q. You ceased to be manager about December?—A. I left there to go East, early, or toward the middle of the month of December. I had insisted upon a man being sent to take my place. I met Mr. Atwood in New York, and he took my place; hence I did not return until the following May.

Q. State what, in your judgment, was the occasion of the failure of this mine to produce ore after Atwood took charge of it.—A. The want of development; the failure to make new explorations.

Q. Do you think that you could have made that mine continue its production?—A. I do.

Q. How would you have done it?—A. I should have done it by developing new bodies of ore; sinking and running drifts into ore-beds, which, I understand, have been since struck under the mine by a tunnel.

Q. What do you understand about that, and on what authority?—A Parties have assured me that it is a fact that a tunnel under the mine, at the depth of 200 feet below our workings, struck a new bed of ore precisely at the place where the Emma vein should be struck, counting the dip of the Emma vein, and measuring from where they start into the mountain; at exactly that point where the Emma vein should lie they have struck a fine vein of ore.

Q. Then you believe that if the Emma Mine had been worked in a proper direction you would have struck that vein of ore?—A. I do.

Q. What has been the explanation of other miners on the Pacific slope in that respect about the apparent giving out of the ore, and about the ore being found again by sinking and following the vein?—A. I have known many instances of that kind, where, as in the Comstock lode, sinkings have gone down 800 to 1,000 feet. The stock of the Crown Point Mine went down from $6,000 to $2.50 a share, and the company sunk 800 feet without finding the vein. Then they found it; and since that time the mine has yielded $35,000,000. I know other instances quite as marked, but where the product has not been quite so large as in the case of the Crown Point.

Q. Do you know any instance where the supply of the ore has continued without a break or interruption from the beginning?—A. No, sir; I do not believe that anybody ever heard of such a mine.

Q. What is the usual course among miners in that country when they exhaust a body of ore? Is it to abandon it or to go down?—A. It is not the usual course to exhaust a body of ore. The usual course is to keep on your mining, and to keep bodies of ore in sight; that is, to go

knew him in Colorado, from 1862 to 1866, and since then all t
that he has been in Utah.

Q. What was he doing in Colorado?—A. Mining and mill
smelting ore.

Q. What was he doing in Utah?—A. He was particularly at
to this litigation of the Emma Mine and to mining. He has oth
there.

WASHINGTON, D. C., *April* 10,

SILAS WILLIAMS sworn and examined.

By Mr. PHELPS:

Question. Where do you reside?—Answer. In New York
present.

Q. When did you first see the Emma Mine, in Utah?—A. Al
last of May, 1871.

Q. Had you, previous to that time, been acquainted with the t
of mining?—A. Yes; I had been engaged in mining most of t
since 1854, principally in California, part of the time in Neva
some time in North Carolina.

Q. In what capacity did you act in the Emma Mine after you
acquainted with it?—A. My first business there commenced
June, superintending the transportation of ore from the mine
Salt Lake Valley. After that I took charge of the general busin
working of the mine as superintendent.

Q. From what time to what time did you act as superintende
From some time near the middle of August, 1871, to about the
March, 1873.

Q. When you first took charge of the mine, what were the
workings?—A. I think the lowest workings were about 210 to
from the surface of the ground, measured vertically

ss and working of the mine. All the instructions that I ever received th regard to the working of the mine were rather general than of any ıer character, and consisted more of suggestions which might be de from time to time. The only thing that I remember particularly s that it was urged upon me that it was important to push the devel- ment of the mine, sinking shafts, running tunnels, developing the , &c., as that part of the business seemed to have been very much glected theretofore. I might as well say right here, perhaps, that I ays considered (and I think it was so understood) that that mode of rking the mine, and the conducting of the business of the mine till ore was delivered in Salt Lake Valley, was left to my judgment and cretion. I received very little definite orders.

Q. To what extent did you push the taking out of ore in the summer 1871 and before the 1st of August?—A. After I took charge of the ne we bent all our energies toward the development of the mine, thout much reference to taking out the ore. That was after the mid- of August, 1871.

Q. My question was how the mine was run previous to the 1st of ıgust.—A. I had nothing to do with the working of it before that ıe.

Q. You were there outside. Do you not know whether they were get- ıg out large quantities of ore?—A. Yes; they were getting out all ey could, and hence the necessity of having somebody to rush it down the cars. They were getting out all they could. They seemed to be nning their bed of ore without much reference to explorations.

Q. But after August and when you took charge you devoted yourself incipally to exploration and development?—A. Yes; for sometime.

Q. Do you recollect the time of Professor Silliman's first report?—A. s.

Q. Were you then in charge of the mine?—A. Yes; I was in charge the mine when he made his first examination.

Q. Were you there when he made his examination?—A. Yes.

Q. State whether anything had been done to that mine for the pur- se of preparing it for his inspection, in order to make it look more fa- rable than it otherwise would have looked.—A. In no other way than discovering ore and running drifts into it and sinking shafts. If we uld have shown a mine a mile long we should have done it.

Q. Was there any fixing up of the mine to give it a fictitious appear- ce?—A. Nothing of the kind. I do not think it could be done.

Q. Had any directions or suggestions been given by Mr. Park or any- dy else to attempt such a thing?—A. No, sir; nothing of the kind.

Q. After Professor Silliman's first report, and from that time to his cond examination in company with Mr. Brydges-Willyams, what were e developments of that mine; how did its appearance compare at the ne of the second report with its appearance at the time of the first?— . Between the time I took charge of the mine and Professor Silliman's st examination we had discovered a new body of ore, and had run drifts to it perhaps 20 feet. I think we had run into the solid ore two drifts some 62 feet, and it is my impression that after we had discovered e ore lower down we started drifts higher up. Between that examina- on and Mr. Brydges-Willyams's visit we had pushed this tunnel ahead rhaps 100 feet into the same bed of ore. We had run tunnels above, d had connected these drifts by winzes. We had also gone down to e lowest point ever reached in the mine, 50 feet below the working- nnel, and had run west until we struck the same body of ore which we d discovered above. We ran into that 75 or 80 feet, and there we com-

menced sinking a winze down and found a fine body of ore there, and when Mr. Willyams arrived there we were down about 30 feet. We continued it to about the depth of 70 feet before he left there, and there we found a body of the best ore I had ever seen in the mine.

Q. How did the appearance of the mine compare at the time of Brydges-Willyams's visit with its appearance at the time of Professor Silliman's first visit?—A. It looked better because there were further developments.

Q. In regard to the interval between Brydges-Willyams's visit and Stanley's visit in June, 1872, what had been the explorations?—A. I do not recollect very definitely about that, but we were going on with our explorations at the lowest point by running drifts. We had also been exploring the bed of ore above. But just before Mr. Stanley was there we had an unexpected flood of water in the mine, which caused a cave and interrupted our operations considerably. So that I cannot say that the mine looked any better when Mr. Stanley was there, perhaps not so well as when Mr. Bridges-Willyams examined it, on account of that cave. He did not see the lowest point of those developments below, because, I think, it was full of water.

Q. Between the time of Stanley's visit in June and the visit of Mr. Anderson, the chairman of the board, in October or November, what developments had been made?—A. We had not made much development in ore. At the time we had this flood we could not find machinery at Salt Lake that was fully suitable to put up in the mine to pump out the water, and we put up such temporary machinery as we could get, and we had not got the lower part of the mine free from water when Mr. Anderson arrived there. We had gone on with explorations in the new bed of ore westward, and had sunk a horse-whimshaft in order to facilitate raising ore when we should have got over the difficulties of that cave. We were also working a tunnel in the lime rock around the cave to enable us to work to advantage; so that the develments in ore had not been much from the time Mr. Stanley examined the mine to the time that Mr. Anderson came.

Q. What was the expression of opinion made by Mr. Brydges-Willyams, Mr. Stanley, and Mr. Anderson, on their respective visits to the mine, in regard to its appearance and value?—A. I cannot recollect the exact language of any but Mr. Willyams. I remember that because it was so emphatic. I went through the mine with him, but I had little conversation with him in the mine. After coming out, and while standing at the mouth of the tunnel, I said to him, "Well, Mr. Willyams, how are you impressed with the appearance of the mine?" Said he, "I do not care what anybody says about its being a shell, I have seen it for myself;" and he expressed himself highly delighted and very much pleased with what he saw. I never saw anybody better pleased with property than he seemed to be with that.

Q. What were the expressions generally of Mr. Stanley and Mr. Anderson at the time of their examinations?—A. Mr. Stanley could not get into the lower part of the mine at all, and the great chamber of ore, the original bed of ore, had caved in and looked badly. Yet Mr. Stanley expressed himself as rather pleased with it. I remember that Mr. Anderson seemed to be entirely satisfied, so far as I could judge from the conversation we had. He seemed perfectly satisfied and pleased with the property. He never expressed, in my hearing, any doubt of its being worth the money that he gave for it, or anything of that kind.

Q. When did you leave the mine?—A. Between the 10th and 15th of March, 1873.

OFFICE OF THE EMMA SILVER MINING COMPANY, (Limited,)
Salt Lake City, Utah, November 18, 1872.

DEAR SIR: Inclosed please find two assay-statements, showing assay-value of ore cked at mine from 29th ultimo to 9th instant.

The amount of ore raised at mine last week was 275 tons; the quantity of sacked e remaining at mine on Saturday evening, 16th instant, amounted to 320 tons, aiting shipment per teams to Sandy.

Have sold three lots ore since 11th instant to Thomas H. Selby, San Francisco, ays and prices of which are as follows:

ot 36, containing 72.02 ounces silver and 48 per cent. lead, for $72 per ton.
ot 37, containing 71 ounces silver and 45.85 per cent. lead, for $69 per ton.
ot 38, containing 72.60 ounces silver and 44.3 per cent. lead, for $70 per ton.

Have made you the following remittances to Leonard, Sheldon & Foster:

November 2, 1872, three 30-day sight-drafts on Adam Smith, Chicago, for $19,649.84.
November 8, 1872, three 30-day sight-drafts on Adam Smith, Chicago, for $21,147.89.
November 8, 1872, one 30-day sight-draft on Saint Louis Smelting and Refining Comny, for $7,417.58.
November 16, 1872, two 30-day sight-drafts on Adam Smith, Chicago, for $14,628.78.
Total, $62,844.09.

Yours, truly,

WARREN HUSSEY,
Cashier.

T. W. PARK, Esq.,
Care Leonard, Sheldon & Foster, New York City.

OFFICE OF THE EMMA SILVER MINING COMPANY, (Limited,)
Salt Lake City, Utah, December 2, 1872.

DEAR SIR: I inclose certificates of assays made at mine. The past week's work at mine resulting in raising of 350 tons ore, leaving a balance of 470 tons sacked ore at mine on eve of 30th ultimo awaiting shipment; and 400 tons at Sandy Station and *en route* from mine.

Cañon road has been very bad for teams, not enough snow for sleighing, with thawing out of what little snow had fallen, causing road to be covered with ice, very slippery and unsafe for teams. It is improving, and this week will get away much more ore to Sandy.

Lot 40 sold at $70 per ton, and not at $70.25, as reported on 25th ultimo. Sold two lots last week; lot 41, 67.08 ounces and 47 per cent., at $69 per ton, and lot 42, 65.78 ounces and 45.46 for $67.50 per ton. Both lots sold to Saturn Silver Mining Company Works at Sandy.

Remitted on 30th ultimo a 30-day sight-draft on Saint Louis Smelting and Refining Company, Saint Louis, for $6,988.03 to Leonard, Sheldon & Foster, for your account.

Yours, truly,

W. HUSSEY,
Cashier.

T. W. PARK, Esq.,
Care Leonard, Sheldon & Foster, 10 *Wall street, New York City.*

OFFICE OF THE EMMA SILVER MINING COMPANY, (Limited,)
Salt Lake City, Utah, December 9, 1872.

DEAR SIR: Inclosed I send you statement of assays made at mine. Last week's work at mine showed 430 tons raised, leaving 500 tons at mine, and 470 tons at Sandy and *en route* on cañon road on eve of 7th instant.

Three lots ore sold last week: Lot 43 to Saturn Company, assaying 65.30 ounces silver and 47.2 per cent. lead, for $67.50 per ton; lot 44 to R. P. Lounsberry, for Wahsatch Silver-Lead Works Company, 65.61 ounces, and 46.1 per cent., at $67.60 per ton; and ot 45 to Saturn Company, 67.08 ounces, and 45.2 per cent. for $69 per ton.

Silas Williams, esq., promises to raise much larger quantity of ore this week.

Yours, truly,

WARREN HUSSEY,
Cashier.

W. PARK, Esq.,
Care Leonard, Sheldon & Foster, New York City.

WASHINGTON, D. C., *April* 11, 1876.

O. J. HOLLISTER sworn and examined.

By Mr. CHITTENDEN:

Question. I believe you are the collector of internal revenue in the Territory of Utah?—Answer. Yes.

Q. When did you first have any knowledge, by report or otherwise, of the Emma Mine?—A. I think in the latter part of 1869.

Q. And you have been familiar with it since?—A. By general report; I never went into it.

Q. Were you in the Territory at the time of Judge McKean's arrival there to enter on his office as chief-justice?—A. Yes, sir.

Q. Do you know Mr. James E. Lyon?—A. Yes, sir.

Q. How long have you known him?—A. I have known him about fifteen years.

Q. State what you know, if anything, respecting any attempt on the part of Mr. Lyon to influence or affect the decision of Judge McKean in the Emma Mine litigation in Utah?—A. I do not know that he made what could be called an attempt, but he felt the ground.

Q. State what he said.—A. He used to come to my office frequently because we were formerly acquainted, and he would talk over the whole matter very freely to me. I think that some time in September, 1870, after the court began to take an antagonistic position to his interests, he was talking with me about having got the old Braine title to the mine from the administrator, who was Secretary Mann of the Territory, for which he was to pay about $1,000. I think there was a contract between them that Mr. Mann was to have a one-twelfth interest in the mine, provided Lyon won the case; but Lyon intimated, if he did not say, that another equal interest to that interest was at the disposition of any one who could induce the court to look on the question at issue in the same light as he did. I told him that nobody could approach McKean in that line, and that he might as well dismiss the idea forever. So far as I know that was all that there was about it.

Mr. HAMILTON. You have merely given the inference from his conversation, and that may be stronger than he intended.

The WITNESS. I do not think it is as strong as he intended.

Mr. HAMILTON. You should state his words, not your inferences.

A. I do not infer anything; it was said. That is the substance of what he said—that I or any other man who could induce Judge McKean to look on that question as he did, could have a one-twelfth interest in the mine.

By Mr. CHITTENDEN:

Q. Was anything said of the value of that one-twelfth interest?—A. He regarded the mine as worth $1,200,000 at that time. I never made use of this information until he began to use a Senator of the United States to charge Judge McKean with corruption, and I knew so well that Judge McKean not only was not corrupt, but that Lyon was trying to injure him because the judge was not corrupt in Lyon's own interest, that my indignation carried me so far as that I told Judge McKean about it.

Q. When did you communicate it to him?—A. I think the next year, when Lyon came out there with Senator Stewart and tried to have Judge McKean removed. When he found that he could not use the court, and that he could not get the governor to assign Judge McKean to another district, then the next move he made was to employ a couple of United States Senators to have him removed.

Mr. SPRINGER. To whom do you refer?

The WITNESS. I refer, of course, to Senator Stewart and Senator orton, but I do not pretend that I had any knowledge that Morton s so retained. But Stewart was there, and was using all his influce to have the judge removed, and we thought that all our political erests there depended upon his retention, and we knew him to be a re man, and that is why I had an interest in the matter. I had an erest in the politics of the question, but I did not care anything out the suit.

Q. Since that time, what has been the reputation of the Emma Mine Utah with reference to whether it is a valuable mine or not?

Mr. Springer objected to the question, and Mr. Chittenden waived it.)

Q. I think you said that you have not visited the mine?—A. I have ver been in the mine.

By Mr. SPRINGER:

Q. What efforts were made in Utah and in Washington, within your owledge, to secure the removal of Judge McKean?—A. Mr. Chaffee, of lorado, and Mr. Hillyer, of Nevada, we understood, went with charges the part of Senator Stewart to the President, who was at Long anch, and demanded the removal of Judge McKean as being a corpt man, and as being interested in suits in his own court. Senator ewart telegraphed to the President to the same effect, and he said y loudly in the streets and in the hotel at Salt Lake that he was ing to have Judge McKean removed in twenty-four hours. He was y abusive. That was when he arrived there some time in the early nmer of 1871. All these other proceedings were in 1870. I know it Governor Woods was sent to meet this accusation, and that the esident held the question under advisement, and I believe referred it the Attorney-General, and some investigation was had or some questns asked of Judge McKean, which showed that the stories were false. lid not know at that time that Senator Morton had anything to with it, and I do not now. All that I know on the subject is what on stated before this committee about his attempt to retain Senator orton.

By Mr. PACKER:

Q. You have no personal knowledge of the fact that Mr. Morton was ained, or that Lyon attempted to retain him?—A. No; I know nothg at all about it, except what I have seen in the proceedings of this nmittee.

By Mr. SPRINGER:

Q. Did Senator Stewart appear as attorney in the case in the courts Utah?—A. I believe he did.

Q. Do you know what charges were preferred against Judge Mcan?—A. I think they were very much the same as Lyon made here, it the judge was trying cases in which he was interested.

Q. Did Senator Stewart make any statement to you with reference to proposition made by Lyon, or in reference to securing the removal the judge?—A. No, sir; I did not have any conversation with Senor Stewart at all.

Q. Your only conversation was with Lyon?—A. I didn't see Lyon ere at that time.

Q. When was it that you saw Lyon, when he made this proposition you?—A. It was in the previous year.

Q. Was Senator Stewart there at that time?—A. No; Mr. Lyon got

thoroughly beaten in 1870, and he found he could do nothing; and this was his strong hold when he came back next year—to get the judge removed.

Q. When was Judge McKean removed?—A. About a year ago. He served his time out, was renominated, confirmed unanimously by the Senate, and about a year ago he was removed.

Q. For what reason was he removed at that time? Was it on account of his connection with this Emma Mine?—A. No, sir; it had nothing at all to do with it.

By Mr. HAMILTON:

Q. You stated that you communicated this conversation that you had with Mr. Lyon to Judge McKean about the time that Senator Stewart came to Utah.—A. I was thinking, myself, that it was at a later day, but in talking with Judge McKean about it, yesterday, he is very positive in his recollection that it was at that time, and I think it very likely that it was.

Q. Was this thing made public at all?—A. No, sir.

Q. When these charges were made against Judge McKean, why did you not come out with the counter-charge that Lyon had been trying to bribe Judge McKean?—A. I did not want to use that circumstance against him.

Q. Why did not the judge do it?—A. I do not know that he knew it at the time.

Q. You state that it was when Senator Stewart came out there and acted in the suit for Lyon, and that it was about the time that he was trying to influence the President to have Judge McKean removed; why was not this conversation with Lyon then told?—A. Because I did not think it necessary.

Mr. HAMILTON. It would have been a very important thing to use.

The WITNESS. I did not want to use it.

Q. Why would not the judge use it when it was told to him?—A. I do not know. I told the judge in confidence, and the judge did not probably need to use it, or it may not have been until the crisis was over that I told him. Lyon and I were on commonly friendly terms, and had been for years, and I did not want to expose such a thing as that unless it was absolutely necessary. I never would have told it if I had supposed it would ever be made public.

Mr. SPRINGER. Give me the name of the gentleman who came to Washington for the purpose of preventing the removal of Judge McKean.

The WITNESS. Governor Woods, who was then governor of the Territory. He is now in San Francisco. He went on our behalf. We all thought that the success of our politics depended upon Judge McKean's retention, because the constitution and jurisdiction of the courts had gotten mixed up with politics, whether it should be a Mormon court with a Federal figure-head, or whether it should be a Federal court.

Mr. SPRINGER. The politics were Gentile and Mormon?

A. Yes. If it were a United States court, Mr. Lyon could not get an *ex-parte* injunction, and if it was to be a Mormon court he could, and that is where the politics came in.

Mr. PACKER. You do not refer to partisan politics when you speak of politics?

The WITNESS. No, sir. It was a question of the rights and interests and liberties of all the people there who were not of the Mormon Church—democrats and republicans, and everybody else who were not Mormons.

WASHINGTON, D. C., *April* 11, 1876.

L. U. COLBATH sworn and examined.

By Mr. CHITTENDEN:

Question. What is your business?—Answer. Mining.

Q. You are what is popularly known as a mining-expert?—A. I am sometimes called that. I call myself a practical miner.

Q. How long have you been engaged in mining?—A. Twenty-two years.

Q. Are you familiar with, and have you been engaged in the superintendence and operation of silver-mines extensively?—A. I have been

Q. How long have you been connected with the silver-mining in the West?—A. For sixteen years; since the discovery of the Comstock lode.

Q. Have you any knowledge of the Comstock lode?—A. I have.

Q. State briefly what it is.—A. My knowledge of the Comstock was from 1860 to 1868, when I left it.

Q. In what capacity were you connected with the Comstock lode?—A. For five years of that time I was in the superintendence of mines.

Q. Name the principal mine which you superintended there.—A. The Gold Hill Consolidation and the Challenge.

Q. When did you go to Utah?—A. I went in 1870.

Q. When, if ever, did you first visit the Emma Mine?—A. In July, 1871.

Q. Did you go there with other persons appointed by Mr. Lyon to examine the mine under a judicial order obtained for its examination?—A. I did; I went there with M. C. Hillyer, Mr. Wilder, a mineral surveyor; Mr. Almy, and Mr. Murray.

Q. Were you employed by Mr. Lyon to make that examination?—A. I was employed in the interest of Mr. Lyon.

Q. Did you make a thorough examination of the mine at that time?—A. Yes; although somewhat hurried on the first visit.

Q. After the examination, did you inform Mr. Lyon and his counsel, Mr. Stewart, and Mr. Hempstead, and Mr. Hillyer what your opinion of the mine was?—A. I did.

Q. State what you told them your opinion was.—A. I told them it was a very valuable mine; that it was worth a good deal of money, and worth the fight which they were making for it. I do not think that I put any specified valuation on it. I am sure that I did not.

Q. State whether on that investigation you discovered any signs of weakening or giving out of the mine.—A. I did not.

Q. Did you form an opinion then, as to whether this mine was or was not situated on a true silver-vein?—A. I did. I formed an opinion that it was situated on a true silver-vein.

Q. Do you still entertain that opinion?—A. I do.

Q. State what subsequent visits you made.—A. In the latter part of February, or the first of March, I visited the mine in the company of Professor Silliman and others. That was the occasion of Mr. Silliman's second visit. Mr. Brydges-Willyams was present, and Mr. Stewart and Mr. Daggett and others.

Q. Were you present when Mr. Brydges-Willyams made his examination?—A. I was.

Q. Was that a thorough examination?—A. That was a thorough examination.

Q. What appearance did the mine then present compared with the

still; it was the 20th of July.

Q. At the visit of Mr. Willyams and others, state whether you, your knowledge, any one else, discovered any signs of weakening mine?—A. I did not, and I heard no one else remark anything kind.

Q. When was your next visit?—A. I visited the mine repea sometimes once or twice a week, and sometimes once a month for a year afterward.

Q. Were you employed in connection with the Illinois Tunnel pany?—A. I was. I was superintendent of the Illinois Tunnel C dation.

Q. Were you in the mine at the time of the examination, when McKean and others were there?—A. I was.

Q. We understand the ore of that mine has pinched out. State, are able, in what manner that ore-bed was lost, and explain the ca A. I will first describe the mine or vein. The Emma Mine has firmly convinced, a true vein of great strength running northwes southeast, with a dip to the northeast, about forty-five degrees fro horizontal. In going down, following the foot-wall at a depth of 350 feet from the surface, they struck what is termed by miners or fault in the vein. This slip or fault was standing at an angle of eighty or eighty-five degrees, cutting the vein at an acute angle. cause is supposed among miners to be either an upheaval of the west wall or a depression of the northeast wall. The mechanical would be the same in either case—cutting the vein at nearly angles—cases of that kind are common in all mines, particularl limestone formation.

Q. When and where did you first discover that slip?—A. I disco that in the Illinois Tunnel. That was the first I knew of it.

Q. About when?—A. In the winter of 1872 or 1873; probably uary, 1873.

Q. Had anything been heard of that slip previously, to your k edge?—A. No; I had never heard anything of it.

t of its ordinary direction about 200 feet above or below?—A. That is
understanding of it.
Q. Did you ever visit this mine with Mr. Atwood, the English engi-
r?—A. Yes.
Q. When was that?—A. In the fall of 1874; probably about October.
Q. Was that the time that the working of this mine was suspended?—
It was a few days or weeks before—a very short time.
Q. Do you know when Mr. Atwood came out there to take charge of
—A. It was in the early spring of 1873; I think about March.
Q. Then he had been in charge from that time until the fall of 1874?—
Yes, sir.
Q. After that displacement was found, what would be the obvious
rse to take in order to find the vein beyond the displacement?—A.
er striking the slip, it should have been followed down until the
wall was found again.
Q. Have you so operated in other mines where such slips have been
nd?—A. I have.
Q. With success?—A. With success.
Q. Then your idea is that the foot-wall should have been followed
n until you came to the slip, and then go down the slip until you
d the foot-wall below?—A. Yes.
Q. What course was taken by Mr. Atwood to find the vein beyond
slip?—A. At the time I was in there he had broken through the
at the same angle with the foot-wall, keeping the same course, and
ould, in my judgment, consequently run over the vein, and run di-
y into the country-rock.
Q. Suppose the shaft, or whatever it was that Mr. Atwood was fol-
ng, going down on the angle of the foot-wall, had been continued,
ld the vein have probably been found in that direction?—A. I
k not. If the slip is as large as I think it is, the vein would never
ound by keeping that course.
Q. Has any attempt been made in the Emma Mine to follow down
slip in what you state to be the obvious direction?—A. Not that I
e seen.
Mr. Chittenden exhibited to the committee and to the witness two
Mr. Atwood's maps, connected with the report made by him in 1874.
Q. State whether this map No. 1 is a correct representation of the
ace of that Emma hill.—A. It is not.
Q. Why is it not?
[The witness points out the discrepancies.]
Q. In other words, instead of the opening of this mine being situ-
d right on the crest of the Emma hill, as it is represented in this
p, the Emma hill runs in another direction?—A. Yes; at least 800
t higher.
Q. You have stated the angle or dip on which this mine goes into
hill.—A. It is about an angle of 45 degrees to the horizon.
Q. What is the angle of the fault?—A. From 80 to 85; it is nearly
rpendicular.
Q. So that the slip cuts the vein at a more acute angle?—A. Yes; it
locates it.
Q. State whether there is a tunnel driven into this hill by a company
lled the Bay City Tunnel Company?—A. Yes, sir.
Q. State whether it is driven in a direction apparently to strike the
ma Mine at a point below the lowest workings of the Emma?—A.
s, sir.
Q. When have you last been to the locality?—A. I have been to the

Little Cottonwood within a very few months. I have never be
Bay City tunnel since it was extended a few hundred feet; bu
was running in the proper direction to strike the Emma Mine.

Q. Do you know how far that tunnel is in the hill now?
superintendent told me the last time I talked with him th
about 1,700 feet.

Q. Is that in far enough to strike this vein below that fau
think it is. It is about the top of the break in the fault, I sho

Q. State whether persons are permitted to enter that tunnel
cept the workmen?—A. They are not. I was refused admissi
told I could not get permission to enter.

Q. Did you go there for the purpose of going into it?—A.
did not see the superintendent, but I was told that no one was
and I went away.

Q. That is generally understood in Salt Lake, is it?—A. Th
erally understood.

Q. State whether it is publicly reported in Salt Lake, and h
for some months, that this tunnel company has struck and pu
Emma vein?—A. That is the current report.

Q. Do you believe it to be true?—A. I believe it to be true.

Q. Why?—A. Because, in my judgment, the tunnel is in a
distance to strike this vein, and is at a depth at which they m
sonably strike ore. The tunnel is in, as I was told, a distanc
feet, and it is reasonable that they should have struck the E
which I believe to be a true vein.

Q. In the ordinary working of mines by judicious men, w
course—is it to excavate and take out all the ore, or is it to co
plorations in advance of taking out the ore?—A. The proper cou
be to keep your explorations ahead and always to keep reserv

Q. State whether, in your opinion, if this mine had been v
other mines usually are, by judicious men, this vein would or
have been found.—A. In my judgment, I think it would h
found.

Q. There has been some testimony here about other mines i
cality. State whether there are other mines located on wha
sider the same vein as the Emma; and, if so, give us the name
mines and their relative distances from the Emma shaft or o
A. Going toward the northwest is the North Star claim. It a
Emma Mine, and is probably 400 feet from the Emma discov
Then comes the Vallejo Mine, which is about 1,200 feet to the n
And 200 feet beyond that is the South Star and Titus. Abou
to the northwest of that is the Flagstaff Mine.

Q. Going over the crest of the hill, is there not a mine on
side of the hill?—A. Yes.

Q. What is the name of that?—A. The Reed & Benson
consider it to be on the same ore-channel with the others.

Q. About how deep have the lowest excavations in the Em
gone?—A. Somewhere over 400 feet; probably over 450.

Q. And the Emma Mine, if I understand it, is the lowest m
the side of the hill?—A. Yes.

Q. How far down is the North Star?—A. It is not down
feet vertically.

Q. How far down is the Vallejo?—A. About 450 feet.

Q. And the Flagstaff?—A. One thousand feet.

Q. State whether the Flagstaff is now working in a good
silver-ore.—A. They are in the bottom of that ore.

Q. How far down have they gone in the Reed & Benson Mine, on e other side of the crest?—A. I am not able to tell you. I have not oked at it for two years.

Q. Is the Reed & Benson Mine understood to be a very productive ne?—A. It is.

Q. And is the Flagstaff understood to be productive?—A. The Flagaff is a very productive mine.

Q. Standing below the Emma Mine and looking up the hill, I wish ou to state whether this mineral belt on which these mines are situad is or is not a parent to the eye?—A. It is; the contact of different ountry-rocks is apparent for miles.

By Mr. HEWITT:

Q. What is the country-rock?—A. Limestone.

Q. Where have you ever seen a true vein in limestone?—A. I think have seen true veins in limestone in Utah. I call this a true vein.

Q. Where else have you ever seen or heard of a true mineral vein in mestone?—A. Outside of Utah I have not.

Q. This, then, would establish a new doctrine of geology, that you an have a true vein in limestone?—A. So far as my knowledge goes, here are true veins in limestone.

Q. What kind of veins have you ever found in limestone?—A. My rst experience in limestone formation was in Utah.

Q. You have had no experience anywhere else in limestone formation? -A. I haven't had any experience in any limestone formation except 'tah.

Q. What makes you think that this is a true vein?—A. The develoments upon it at the present time prove it to be.

Q. Tell me what you understand as a true vein?—A. I call this a conact-vein, which is a true vein. It is between two different country ormations. It lies between them. It is not always ore. It may be a ontact-vein without ore. Ore is not continuous through that formaon.

Q. A vein never cuts across two formations, but lies between?—A. ometimes a vein will cut the formation.

Q. Does it in this case?—A. It does not. It lies between two differnt country-rocks.

Q. Is there any difference between those country-rocks?—A. There

Q. What is it?—A. The foot-wall in the south country-rock is white licious limestone; the other, or hanging country, is a black, impure, aly limestone.

Q. Then you think that a vein may lie between, and never cut into, e country-rock?—A. That is the general acceptance in regard to a ntact-vein.

Q. You mean by a contact vein that kind of vein which lies between d never cuts into the regular rock?—A. That is what I mean.

Q. Have you any experience as to the duration of that class of vein compared with veins which do cut into the country-rock?—A. Only reading.

Q. You never saw any of them?—A. No.

Q. You have never heard that what you call a contact-vein is a ticular mass, an egg-shaped body of ore?—A. Egg-shaped bodies of e lie in all veins.

Q. A lenticular mass is a mass of ore found inclosed between two alls of a contact-vein; that is to say, it never cuts into a country-rock,

and this is, as I understand you, a formation of ore which does not cut into the country-rock?—A. It does not.

Q. And you have not had any experience with those veins anywhere else; you have only seen them there?—A. I have only seen them there.

By Mr. CHITTENDEN:

Q. In your experience on the Comstock lode, how is it there in regard to this egg-shaped mass of ore?—A. All the beds of ore ever found on the Comstock have been found in that position.

Q. I suppose that limestone is a stone formed from a sedimentary deposit, which is supposed to be thrown down in the water.—A. That I believe is so.

Q. And if some deep-seated force throws up a vein from below and breaks through two or three hundred feet of limestone, why might you not as well expect veins in limestone as in porphyritic rock?—A. I have come to that conclusion myself. I used to be somewhat prejudiced against limestone formation.

By Mr. HEWITT:

Q. How thick do you suppose the limestone formation is in that country?—A. I know it is pretty thick.

Q. Hundreds of feet?—A. Hundreds of feet.

Q. Thousands of feet?—A. I know it is over 1,000 feet.

Q. What is the formation of the Comstock lode?—A. The foot-wall or western country is syenite granite, and the ordinary country is porphyritic rock composed of lime and mixtures.

Q. And does not the vein in that case cut into the water-rock?—A. No, sir. It lies in contact between the two formations.

Q. It is a contact-vein?—A. Yes.

Q. The difference is that there are two different kinds of rock there, and that neither of them is limestone?—A. Neither of them is limestone, although there is a large element of lime in the hanging country of the Comstock vein.

By Mr. BARNUM:

Q. I understand that you visited the mine with Professor Silliman and Mr. Willyams?—A. Yes.

Q. Did you go into the mine with them at that time?—A. I did.

Q. When was that?—A. Either in the last of February or the first of March, 1872.

Q. Were you there at the second visit of Professor Silliman?—A. No; I was not.

Q. Was there any change in the appearance of the mine between February and April?—A. I do not know that there was any change. I was in about that time.

Q. What was the appearance of the mine at that time; was there as large a quantity of ore in sight as is stated here—8,000 tons?—A. Yes; I reported more than that.

Q. Was it as rich as is represented in this dispatch of April?—A. I do not recollect that dispatch; but there was a very rich quality of ore there. I took some very rich samples from it myself.

By Mr. CHITTENDEN:

Q. I wish you to read carefully the dispatch of the 5th of April, which was sent by Willyams, Silliman, and Hussey to England, and state whether it conveys to your mind the idea that the whole 8,000 tons of ore therein mentioned was of an average value of $2,000 per ton?—A.

:er reading.) I would not so construe it. I should say that it refers , picked sample of ore. I have got higher assays than that from :ed samples from the Emma Mine, but I never should have reported as being worth that.

. Look at the portion of the dispatch which speaks of 65 tons of ion worth $20,000.—A. I should judge that that would mean $20,- for the 65 tons of bullion, and that would not be unreasonable. t would be an average of about $300 a ton.

. Take this clause of the dispatch: "At the bottom of the winze, 70 below the old workings, drifted 40 feet, all in ore; sample assays 28 cent. lead, and $2,000 silver." Does that refer to anything but the n the bottom of that winze?—A. I should think not. I should not rpret it in any other way.

By Mr. HEWITT:

. If an assayer were to come and ask you for a sample of the ore, you were to furnish him with one, would you understand that you ɔ to furnish him with a picked sample, or with a fair average sam- Take such a statement as this: "Sample assays 28 per cent. lead $2,000 silver;" what would you understand by the words "sample ,ys;" would you understand it to be picked or average samples?— I should say that it was a sample taken from some part of the drift.

. Would you take it to be a fair average sample or a picked sam- ?—A. It would mean either of them for that matter.

. I ask you, as a miner, what would be sample assays?—A. I should that it would be a fair sample of the ore in that drift. They did e ore out of that mine which ran up to $600 a ton.

Mr. HEWITT. There has been no average sample that yielded 2,000 ars in silver?—A. I never saw any quantity of ore that would run igh as that.

By Mr. CHITTENDEN:

). Are you able to say that a fair sample of the ore taken from the tom of that particular winze would not assay about $2,000 a ton?— I have got over $2,000 a ton for a distance of two or three feet, ing assays from the bottom of that same shaft.

WASHINGTON, D. C., *April* 11, 1876.

. E. CLAYTON sworn and examined.

By Mr. CHITTENDEN:

uestion. State your residence and occupation.—Answer. I am a ing engineer, and reside in Salt Lake City, Utah. I have lived there tle over three years. I came there in October, 1872.

. How long have you been engaged in mining, or the superintend- of mines?—A. Nearly thirty-six years.

. Where has the most of your life been spent in that business?—A. the first nine or ten years, in Georgia and Alabama; then in Cali- ia, Nevada, and Utah.

. Are you acquainted with the mines on what is known as the Com- k lode?—A. Yes, generally. I have visited them several times; e years ago, however.

. When did you first visit the Little Cottonwood country?—A. he latter part of October, 1872.

Q. Did you then examine the Emma Mine?—A. I did not; nothing more than a surface examination. I examined the geological formation along the surface, but did not go into the mine.

Q. When did you make any examination of the Emma Mine or other mines on that vein?—A. I never made an examination of the Emma Mine under ground, but a year ago I made a very careful examination of the North Star Mine, immediately adjoining it to the northwest.

Q. Have you any knowledge of the Flagstaff Mine?—A. Yes; I made two examinations of the Flagstaff Mine, and one of the South Star and Titus, some 1,500 feet, perhaps, to the northwest.

Q. State whether, in your opinion, the Emma and Flagstaff, the North Star and Titus, and the other mines mentioned, are situated on what is known among mining-engineers as a true vein of silver-ore.—A. Yes; that is the common opinion among mining-men. They are unquestionably situated on the same mining belt or zone of country rock, and among mining-men it is all considered one vein. The zone of country rock inclosing these bodies is considered the vein.

Q. What is your opinion?—A. Technically speaking, it would not be what is called a true fissure-vein, but a contact zone of country rock containing ore-deposits.

By Mr. HEWITT:

Q. Not a vein of eruption, but a vein of deposit?—A. I never saw a vein of eruption except of porphyritic rock. I never saw a silver-vein erupted from below.

Q. Is it as true a vein as the Comstock vein?—A. I think it is as true and perhaps as regular, in its mineral contents as the Comstock lode The vein-gangue, however, is of a different character.

By Mr. CHITTENDEN:

Q. I understand the foot-wall to be the wall on which the vein-matter rests, and the hanging wall to be the boundary-wall on the other side; is that correct?—A. The foot-wall country, as it is called there, (and correctly, I think,) is a very crystalline and somewhat silicious limestone, sometimes very white, a greyish-white, and the overlying country or hanging-rock country is a dark impure limestone containing more or less shaly matter.

Q. About what is the general dip of that vein?—A. From 40° to 50°, and in some places steeper. It is somewhat undulating, following the undulations of the country rock. It runs from 40° to 45°, and in some places perhaps 50°, but it would average 45°.

Q. How far down is the Flagstaff Mine?—A. Something over nine hundred feet, I think.

Q. Is that mine producing silver-ore now?—A. Yes; it has a very good showing of ore in the lower works.

Q. How far down is the Vallejo, the North Star, and the Titus?—A. The North Star and the Titus, I think, are down, perhaps, some 600 feet; not so deep, perhaps, as the Flagstaff; and they are also on a lower slope of the hill.

Q. Do you know the depth of the Emma Mine?—A. No, sir; only what I know from the surveys and measurement, and from what Mr. Atwood and others have informed me.

Q. From that information, about what is the depth of the Emma Mine?—A. About 380 feet on a vertical line; perhaps 450 feet on the slope.

Q. Have you made any examination of that slip, or fault, as it has been termed?—A. Yes, in the ground of the adjoining or North Star

laim I examined it carefully. I also recognized it on the surface of the round, in the spring of 1873, before they had reached the fault in the orkings.

Q. Describe that slip or dislocation.—A. The slip, or fault, as it is ermed in mining engineering, is a longitudinal fault. It is a fault running nearly in the same direction with the lode, only that the dip of the ult is much deeper than the dip of the lode and cuts it obliquely, the ip of the lode being about 45°, and the dip or angle of the slip being ver 80°.

Q. What effect has that slip had on this vein?—A. It has cut the ein in two obliquely. The southeast portion has been raised. There as been either a down-throw to the north or an up-throw to the south. he result would be the same in each case, but the probabilities are trongly in favor of its being an up-throw on account of the great granite dome which has separated the stratifications of the country for a reat many miles. The upheaval of that mass of granite would probaly carry up that portion.

By Mr. PACKER:

Q. Instead of its being a mere squeeze in the vein, it is an actual cut-f in the vein?—A. It is unquestionably a cut-off.

Q. Is such a slip as that in our western country exceptional, or are ich dislocations frequently met with in mining?—A. It is very rare at we have a fault in limestone rock at that angle running longitunally with the vein. We frequently meet with faults which cut the in longitudinally, but nearly at right angles to the bedding of the untry-rock. The tendency of limestone is to break nearly at right gles with the bedding. We have short faults occasionally at right gles with the bed in limestone formation, but very rarely at that lique angle.

Q. Have you measured the dimensions or extent of that dislocation ascertain the probable displacement of the vein?—A. No; it could not measured accurately. We can only approximate it by a careful ological examination on the surface. So far as I have been able to dge of it (it is a matter of judgment as yet) the fault would be somere from 150 to 200 feet on the line of the slip. It may have been ore than that; but I should think that that would approximate the stance.

Q. Did you examine these maps of Mr. Atwood?—A. Yes; I have en them.

Q. This slip or dislocation is clearly shown on these maps, is it not; some slip?—A. He has a slip marked here, and his incline passes rough it into the country-rock on the opposite side, which would not the correct method of recovering the lode.

Q. Suppose, in mining, such a dislocation is encountered, what is the tural and obvious method of again finding the vein?—A. First, to certain the direction of the slip, whether it is up or down; then to llow the direction of the slip until you come to the end of the vein, hich is on the opposite side of it.

Q. Then, instead of following the angle of the foot-wall when you rike the slip, you would follow the slip either up or down until you gain strike the foot-wall?—A. Yes; or the vein. The vein lying above e foot-wall, we would have indications of it, of course.

Q. If, instead of that, you followed the angle of the foot-wall through e slip, where would that carry you?—A. It would carry you, of course, ove the lode into the hanging-rock country.

Q. What course was taken in the Emma Mine in that respect; was it to follow the angle of the foot-wall or to follow up or down the slip?—A. According to these surveys and the examination made by Mr. Atwood he followed the angle of the foot-wall into the hanging-rock country.

Q. Are you, as an expert, able to give any reason why that was done?—A. I cannot see any reason why it should be done.

By Mr. PACKER:

Q. That would necessarily carry it over the roof of the vein, would it not?—A. Yes; the inference to my mind would be, either that the man was ignorant of his business or that he designedly wished to lose the vein.

Q. Were you there when Atwood first came out, in March, 1873?—A. Yes; I was in Salt Lake then.

Q. Did you see the first report that he then made to the directors?—A. Not until after it was published.

Q. Did he then report this mine as exhausted?—A. I do not recollect the precise terms of his report. I know that it was of a very discouraging character. In his last report he describes the mine as being exhausted. He does not think that the indications were sufficiently favorable to warrant much exploration to be made. That was about the tenor of it.

Q. If that mine was to be properly worked now, what course, in your judgment, should be pursued to recover that vein?—A. They should follow the slip down until the vein was recovered beyond it, and after ascertaining the position of the vein on the north side of the slip, then to make such openings, as would be most convenient for the exploration of the mine.

Q. Something has been said in regard to veins in limestone formations. I ask you whether there is any geological reason that you know of why a true vein of silver-ore may not as well exist where the formation is limestone as where it is of igneous rock?—A. I know no reason why there should not be a true vein in limestone formation as well as in other stratified or in igneous rocks. There is a chemical reason why veins are not so well defined in limestone as they are in other rocks.

Q. What is the accepted theory among practical miners now of the formation of silver-bearing veins?—A. The general theory, and the one that I believe to be correct is, that the fissuring of the rock was produced by geological disturbance, and perhaps by igneous eruptions, and that the chemical action induced by those eruptive influences has filled those fissures with minerals from heated solutions, and that the gangue, as well as the ore itself, was in a state of chemical solution, and was crystallized in the fissure cotemporaneously.

Q. Now, are those conditions any different where the surface is limestone from what they are where the surface is of a metamorphic rock, or some rock that is not sedimentary? I don't know just what the correct term is.—A. The chemical conditions would be different, for the reason that the limestone would be more readily acted upon by acid solutions, sulphates, chlorides, &c., than either argillaceous shales or granite, or other igneous rocks. The tendency would be for the heated gases and solutions to eat away the walls of the fissure in limestone in very irregular shapes, and as the line of exit for the escaping heat would seek the line of least resistance, it would sometimes take a tortuous course and eat out large cavities by chemical erosion or replacement, taking up

ıe and depositing ore and gangue matter in place of it. I think that ›uld account for the irregularities in the limestone-veins.

Q. Where is the source of this chemical action supposed to be? Is not supposed to be deep-seated in the earth?—A. Deep-seated; sup-›sed to be of Plutonic origin; that, from geological disturbance, the ›lid crust of the earth is broken, allowing the rocks, in a pasty, fluid ate, to come up in the breaks and fissures in the lower portion of the ystallized crust to such an extent as to eliminate the minerals more less from those lower beds and drive them up toward the surface.

Q. Certainly. Now, is that source of production affected at all by the ıaracter of the surface-formation?—A. Do you mean the mechanical dis-acements?

Q. Yes.—A. No, sir. The crust of the earth during the convulsive ovement would naturally break in the weakest place, no matter hether it was limestone, slate, or any other rock.

Q. Has there been any thorough geological survey of Utah?—A. No, r. There have been reconnaissances made by Wheeler and Hayden, I ıink, and Powell and Professor King. Portions of it have been pretty ell worked up, but the reports are not yet published.

Q. How extensive is the horizon of that limestone-rock?—A. The ıickness of it?

Q. No; I will come to that hereafter. I mean the spread of it.—A. ı a north and south line, those older limestones, Silurian and Devo-ian limestones, in which most of these mines occur, extend south con-nuously for perhaps seventy-five miles, and, with some alterations, ıey re-appear in places; and, running east and west across the axis of ıe range, they extend twenty or twenty-five miles, or perhaps thirty, in laces.

Q. What lies below them?—A. Below are schist and quartzites; below hat is granite.

Q. Is the limestone there supposed to be the most recent formation? -A. The limestone is more recent than any of the underlying rocks xcept the granite and porphyry that has been cutting it through.

Q. What is the average thickness of the limestone? Have you any ıeans of fixing it?—A. It would be more a matter of judgment than therwise. I think it is considerably over 2,000 feet thick. There are no ıaterial alternations, except perhaps shaly zones now and then. It is rom 2,000 to 3,000 feet thick.

Q. That is the whole limestone formation?—A. Yes, sir; the whole ormation, but there is no material change.

Q. Is there not some portion of that in which fossils are found?—A. Yes, sir; in the dark limestone immediately above the Emma Mine, and bove the Flagstaff, both, fossils are quite numerous.

Q. Can you give the thickness of the formation in which fossils are ound?—A. Perhaps 200 or 300 feet of this dark zone carries fossils. I ound them occasionally, however, up to the summit of the range; per-ıaps 800 feet above.

Q. What comes next below the limestone?—A. A dark micaceous schist.

Q. What is the thickness of that?—A. There are two zones of it. The ıpper one is perhaps 200 feet thick; in some places not so much; not ›ver 50 feet. Then comes a bed of limestone of 200 or 300 feet in hickness, and then a bed of schist again, and then the quartzites, which ıre probably from 2,000 to 3,000 feet thick.

Q. The causes, whatever they are, which have filled those fissures,

are supposed to lie entirely below all these masses, are they not?—A. Yes, sir.

Q. Take the Comstock; what is the country-rock there?—A. The foot-wall for a large portion of the distance along the lode is a syenite; a granitic rock where hornblend predominates instead of mica; and the hanging-wall is porphyritic—a coarse, reddish rock.

Q. The rocks on each side are different in character?—A. Very different.

Q. How deep have you ever been in the Comstock lode?—A. I don't think I have been over 1,000 feet down.

Q. What was the rock there?—A. It was the same—a porphyritic rock above the hanging wall; that is, after it commenced dipping to the east. The east country rock is porphyry, and the foot-wall country, syenite.

Q. Is there any difference known to geologists between silver veins in limestone and in igneous rocks, except the difference arising from the fact that limestones more readily yield to chemical action?—A. I presume that the main difference would be due to the chemical reagents present in the limestone.

Q. Limestone dissolves more readily than igneous rocks, I suppose?—A. Yes, sir. In many cases you find a true vein fissure in limestone which does not contain a true fissure vein; for the reason that the siliceous gangue matter has been absorbed by the walls of the country rock, silicifying the limestone, and hence it has no true gangue; it may be brecciated stuff, sometimes sparry matter.

Q. We understand here that the surfaces of the hanging wall and the foot-wall show evidences of the movement of the vein matter. Is that so?—A. I have seen no evidence of the movement of the vein matter itself, except when the slip or fault cut the vein. There is evidence of movement there, a smooth polished surface with striæ showing the direction of the movement.

Q. Is that very plainly evident?—Very plainly indeed.

Q. Have you been to that locality since the Bay City tunnel was commenced?—A. Yes; I was at Little Cottonwood perhaps six weeks ago, and twice or three times since the Bay City tunnel was reported to have struck the end of it. I was not permitted to go into the mine or into the tunnel, but I went and examined the material that came out on the dump, to ascertain what formation they were working in, and I found that material to be such as was known to accompany the vein or ore body in the Emma Mine, a brecciated whitish lime.

Q. That came out of this tunnel?—A. Yes, sir; and that led me to believe that the report of the striking of the Emma Mine was correct, because they were evidently far enough to cut that zone of brecciated matter in which the ore bodies occur in the Emma Mine.

Q. Let us understand that. You say that the direction was right, and that they were far enough in to cut that metal-bearing zone of the Emma Mine?—A. Yes, sir.

Q. And the material which you saw on the dump taken out from that tunnel was the same as what was found in the Emma Mine vein above?—A. Yes, sir. It was not ore; it was brecciated vein matter, like that which is seen in other portions of the mine worked above.

Q. Has it not been reported for some months that the tunnel has struck the Emma vein?—A. Yes, sir; for some two or three months.

Q. Did you make application to go into the tunnel?—A. Not directly myself. I asked a friend to make the request, but he said that, for the present, they could not permit any one to go in.

Q. Are these masses of ore on the Comstock regular in width, or is the fact that they pinch out, and upon going below are found again?—. They are irregular in form and size; they pinch out and open again to large bodies of various shapes and forms. There is no system or gularity in the form of them; they are often in a lenticular form, and so in egg-shaped bodies forming large chambers of ore with long arren portions between.

Q. But the vein may always be followed through those barren zones, ay it not?—A. The vein is not lost; only the ore bodies pinch out e quartz and vein gangue; the vein channel is continuous all the way rough.

Q. In some instances has not that barren zone been found to be several hundred feet thick in the Comstock?—A. Yes, sir.

Q. Afterward opening into these large bonanzas?—A. Yes, sir.

By Mr. HEWITT:

Q. Do you regard this Emma range or belt as a fissure vein?—A. No ir; I do not.

Q. In your experience, are fissure veins more or less reliable than ontact veins?—A. I think that depends somewhat on the formation of e country rock in which they occur. In limestone or quartzite formaon, I would prefer a bedded vein, or strata vein as some call it, to a ssure; provided there was a shaly roof or hanging wall. I find bedded eins more continuous in length and persistent in depth than veins ound cutting across the formation.

Q. The Comstock lode, I understand you to say, is also a contact and ot a fissure vein.—A. Well, it may be both. I think it should be classed ot only as a contact but also as a true fissure vein. As a proof of that, e foot-wall country rock, syenite on the west side, and porphyry on e other, is not continuous throughout, but at each end, for long disances, it leaves that and cuts into the porphyry country until it stradles like your fingers. I think it should be classed as a true fissure ein, but a part of the line of fissure is also a line of contact.

Q. In other words, when the convulsion took place, it opened in part n the line of contact between two rocks, and in other parts it actually ore the rocks asunder?—A. Yes, sir; the line of contact offering the east resistance.

Q. Now, assuming that one of those convulsions has taken place by hich the rocks have been parted, and that the gases and solutions have ome up from below to fill those fissures, the limestone should be on e top, and the shales and quartzites and other things below. Do you hink that the mineral matter would be more likely to be found in the imestone, or in the other rocks below?—A. I think it would be more ikely to be found in the limestone; for the reason that the chemical reagents being present, they would assist in the crystallization of the matter.

Q. In other words, the limestone would take more kindly to those influences?—A. Yes, sir; and produce chemical reaction to aid in the crystallization of the mineral in solution.

Q. How thick do you think the limestone formation is at the Emma Mine? You have said there are two limestone formations there; is the mineral matter in both or only in one?—A. I think there have been some small veins found in the lower zone, but it is mainly in the upper.

Q. How thick do you think that upper zone is?—A. It must be from wo to three thousand feet thick, and possibly it is more. We do not now precisely, because of the limestone coming against the eruptive

granite, which conceals a portion of the surface, but I should think from two to three thousand feet.

Q. But as this vein is a contact vein, where either of those formations runs out, as it must ultimately run out, then the vein would disappear at that point, of course?—A. Well, I think there must be at least one thousand feet thickness of limestone, maybe two thousand feet, but one thousand at any rate, below the Emma zone, and as much more above it. There being a shaly limestone above, it would retain the gases and solutions eliminated from below long enough to produce a deposition or crystallization of them in the line of contact immediately underneath. For that reason I have more confidence in the continuity of the contact zones than I would in a fissure-vein, because that contact zone would continue, approximately, about the same distance from the barren rocks, underlying; whereas a fissure-vein cutting down through might go out of the metal-bearing zone very soon and the mine be exhausted.

Q. Suppose these gases and solutions found their way into this fissure, not through the bottom of it but by some opening in the side. Suppose there had been a rent in the side and it came in there, what would be the effect on the extent of the vein? It would be, I suppose, mainly above the line of injection, would it not?—A. Yes; I should expect it to pitch out for a very short distance longitudinally.

Q. It is conceivable, is it not, where you have these two kinds of limestone, one lying on the other, that there came an eruptive force from one side which, by its power, did push one up and make its deposit, and that that is limited in its area by the power of the eruptive force? —A. There are particular localities in which that condition might readily occur.

Q. Do you say that in the Emma region there is no such explanation of that formation?—A. I think not, for the reason that the line of strike runs away from the eruptive rocks, and there are very rich mines on the line of it most distant from the eruptive rocks, the granite belt; perhaps the nearest point may be 1,000 feet to the southeast, but going northwest you come to this series of mines that have been named, including the Flagstaff, and, over the summit of the divide, the Reed and Benson, perhaps a distance of three-quarters of a mile, or perhaps a mile, and the general characteristics of the ore-belt are so nearly the same that I do not think that it was formed in that way.

Q. From your study of that formation do you think that the eruptive gases and solutions came up through the quartzites or came in at the parting between them and the limestone?—A. I think the probabilities are that they were eliminated from the quartzite and schist beds below the limestone by eruptive rocks cutting through them and heating these lower zones to such an extent as to vitrify the old sandstone and change it to quartzites. During that process of metamorphism by eruptive heat, the water saturating these lower beds would be heated to such an extent that it would take up all the minerals in those beds and they would be eliminated in the form of gases and steam through the fisures into the higher zones and pass up through crystalline beds, fractured and fissured in every direction, until they would come to a shaly zone not crystalline in character, which would form an impermeable roof, and which might hold it there and form a place of deposit. I find that particularly exemplified in quartzite formations where shaly zones intervene. The ore is always found underneath the shale and never on top, except, perhaps, where shaly beds have become crystalline and the minerals have escaped up into the fissures.

Q. The same as we find little beds of iron pyrites sometimes?—A. s. But we never find it in quartz or limestone on top. It is always derneath, showing that it comes from below upward.

Q. Now having got that explanation, let me ask whether, when you ve found one of these large masses of ore, you would be led *a priori* think that you are going to find any more—whether that one mass ght not be the sole large mass there?—A. That depends, of course, on local facts which must be considered. In the case of the Emma, of any mine dipping at as steep an angle as that, I would expect to d a series of those deposits in the line of the dip.

Q. In other words, you mean that you would find it swelling out and ›sing up as you go down?—A. Yes.

Q. To what extent?—A. To the extent certainly of the deepest dip of e strata in which it is found; it might be several miles.

Q. Would it not be just as conceivable, if an opening had been made ong there, a small opening, that the gases and solutions came up and led the chamber nearer the surface and did not come up in the chamers below; suppose the limestone was a little softer above than below? -A. I think it would depend somewhat on the character of the limestone ı the first place, and on the extent of the eliminated heat in the second lace. I can conceive an opening going to a great depth where the eat would be so great at the bottom that there could not be any deosit made, and in that case the deposit would begin near the top and uild downward, as a bee builds its honey-comb. As the zone of temerature deepened at which crystallization was possible, it would keep uilding downward, provided the material was not exhausted.

Q. That brings me right back to my question; *a priori* is there anyhing to induce a mining engineer to infer, because he has found one irge body of ore, that he is going to find another below? Might not he operation have ceased when that one was formed?—A. That would epend on the character of the local facts. He would have to judge by he chemical changes taking place in the containing country-rock, or vall-rock of the country, as to the intensity of the chemical changes. n some instances I have found veins where I considered that I was at he apex of the original deposit; denudation had only extended down o where the minerals had begun to appear. In other instances denuation had taken away the body of the ore and only the lower roots of t were in place. The difference is this: in the deep-seated portions f a mine of that character the crystallization gives stronger evidences f heat and pressure. That is better illustrated, perhaps, in California han in any other part of the globe.

Q. Have not you found in California plenty of deposits that have been xhausted; where all efforts to find further deposits below have been n vain?—A. Yes.

Q. I ask you that because within my own knowledge we have many uch cases in the East. For instance, I have taken one hundred and orty tons out of an iron-mine, and taken it out as clean as you would take t in any place, and never could find any more. You would judge, then, y the nature of the crystallization at the bottom of the formation, but here is nothing in nature which would lead you to the conclusion that ecause you found one bed of ore above you were going to find another elow. There may be more or there may not; is not that the fact?—A. Not always. A man cannot say absolutely, because he has found a deosit near the surface, that he must therefore find another next below it, r a succession of them. But when you take out these ore-bodies near he surface, you find evidence of the action of fluids, water passing up

there, little pot-holes worked out of the wall, and the stuff whirled around and stratified as water would naturally have done it, and the line of the opening may be very tortuous and irregular. In one case, in Dry Cañon, a mine in the limestone was perhaps to the depth of 1,000 feet on the line of the dip, and the incline ran regularly on the line, but the pipe of ore passed round that incline two or three times before it got to the bottom, very irregularly, just like a spiral screw.

Q. And you then found a mass of ore below?—A. Yes; a continuation. Sometimes the pipe would not be larger than a barrel; sometimes again it would be as large as this room. Where the limestones were most broken was where we found the largest deposits of ore. Where the line was not much broken the corners were eaten off, and there were thin lines between the beds, showing conclusively that the deposit was from chemical solution and the erosion was from chemical action.

Q. What is the thickest deposit of limestone you have ever seen on this continent?—A. Some three or four thousand feet is as thick as I have ever seen.

Q. How thick is the Devonian and Silurian in England?—A. I do not know, sir. On the Pacific coast, in Nevada and Utah, the limestone is heavier than in any other portion of the country I have seen. There is very little limestone in California.

Q. You have not examined our deposits in the Eastern States.—A. No, sir.

Q. You have mentioned Mr. King as having examined that Utah country and worked up its geology. What is the reputation of Mr. Clarence King as a mining-engineer and geologist?

Mr. CHITTENDEN. Did Professor Clayton mention Mr. King?

Mr. HEWITT. If he has not mentioned him I mention him.

The WITNESS. I consider Clarence King one of the best field-geologists of his age in the country; as a mining engineer he has not had as much experience as some others.

Mr. HEWITT. I have no hesitation in saying that I fully agree with you as to Mr. King's standing. You need have no hesitation in taking the responsibility of that opinion.

The WITNESS. I consider Mr. King a very bright young man.

Q. Have you ever heard anything against his integrity as a mining engineer or geologist?—A. Nothing in the world.

Q. It never has been called in question?—A. Never, that I know of.

Q. Now, as to Mr. Janin; what is his standing as a mining engineer?—A. Janin's standing is good. The only thing ever raised against him was the diamond matter.

Q. In that Clarence King found that Janin had been deceived, but nobody ever thought he was a party to the swindle, did they?—A. I think not.

By Mr. CHITTENDEN:

Q. From your experience as a mining engineer, state whether indications in and about the Emma Mine lead you to suppose that if that foot-wall was followed down, and the Mine worked in a proper manner, there would be large bodies of ore found there.—A. I have not the slightest doubt of the continuity of the lode beyond the fault. And so far as regards any indications that we have been able to observe from a geological and chemical stand-point, the ore-bodies should be just as good if not as extensive as any portion near the surface. As a rule, the continuity of that class of mines on the horizontal line is the sure measure of their continuity to the deep—for bedded veins, I mean, or contact deposits.

Q. One word about Mr. King. I regret that his name has been brought in here; but do you consider Mr. Clarence King a competent mining engineer?—A. Well, I do not know Mr. King as a professional mining engineer. I know him as a geologist, and as having had a good deal of experience in the examination of mines from a geological standpoint, but as a director of mining explorations and practical mining business generally, he has had no extensive experience.

Q. Did you ever hear that Mr. Clarence King at one time prepared a report and a series of maps, showing that the Comstock lode was giving out?—A. I do not know of my own personal knowledge, but I have heard that such was the case; and about that time Mr. King told me personally that he thought that the future of the Comstock lode looked very gloomy. That was the extent of what he said. I think that was in 1869, perhaps some time in the fall. I will not be positive as to the date. It was while Mr. King was working up the geology around Virginia City. He, Mr. Emmons, and his party were there, and I visited them.

Q. Do you happen to know of any examination of the Emma Mine by Mr. Clarence King previous to 1873?—A. No, sir; I do not know of any. I have heard of his being there, but I do not know anything about it. I never saw his report.

Q. I am not speaking of his report. Were you a witness in the case between the Eureka Mining Company and the Richmond Mining Company somewhere in Nevada?—A. I was not a witness. I had done professional work for both parties, and I refused to be a witness for that reason.

Q. Were you present at the trial?—A. I was not present at the trial. I was present with Mr. King and the attorneys for the Richmond party in a consultation as to the nature of the facts at issue.

Q. Do you remember that on that trial he gave it as his opinion that the Emma Mine was on a true silver-vein?—A. Yes, I remember his giving it as his opinion that it was a true silver-vein. I do not know that he defined it as a true vein, but it was of that class that we call pipes, or chimneys, or air-shoots, following a certain line of stratification and continuing indefinitely to the deep. I do not know that he ever expressed that opinion to me.

Q. I am speaking of his testimony in that case.—A. I am not aware that I ever read his testimony in that case, except a synopsis.

By Mr. HEWITT:

Q. At the time he gave this unfavorable opinion of the Comstock lode it was in a discouraging condition?—A. It was.

Q. Then he merely stated what was the fact at the time?—A. Yes; he stated what was the fact at the time. He reflected the general feeling at the time. I remember discussing the point with him, and telling him that it could not be that the mine was exhausted; that I thought the geological reasons ought to lead them to new openings to the dip; and I remember predicting as early as that period, and even earlier, simply from geological reasons, that the great ore-beds in the Comstock would be found in the northern end.

By Mr. CHITTENDEN:

Q. How many million dollars have been taken out of the Comstock lode?—A. A great many.

Mr. HEWITT. If you will consult my silver speech, you will find it

stated at $273,000,000, but I have found out that that is an error. The correct amount is about $190,000,000; the Director of the Mint misled me.

The WITNESS. I do not think it has been over $200,000,000.

By Mr. PACKER:

Q. At the point at which this vein is lost is the course of the slip plainly indicated?—A. Very plainly. It is cut right down at an angle of about 80 degrees, almost vertically, and the striæ or scratches on the wall show the direction of the movement.

Q. You yourself, then, saw those indications?—A. Not at that point; I know that from the reports of others and from the map. In a mine immediately adjoining, called the North Star, I examined two or three hundred feeet in length—I think about two hundred feet—and it was a smooth, polished surface, with grooves and scratches in the walls, showing the direction of the movement, which never occur on the wall of a body of ore in limestone.

Q. Then it is from seeing these indications in an adjoining mine that you infer that they would be found in the Emma Mine?—A. Yes. I knew about the survey. Mr. Atwood had shown me the original survey and maps, and others had also. In fact, I went into the Emma ground on this line or drift that was driven into the ground a short distance, not with the body of the mine, and the line of this slip or fault was traceable over the surface of the ground and also past the Emma Mine.

Q. Then, from the surface-indications, and from what you saw in the adjoining mine, you have no doubt that that slip exists in the Emma Mine?—A. Not a particle of doubt.

Adjourned.

WASHINGTON, D. C., *April* 12, 1876.

ROSSITER W. RAYMOND sworn and examined.

By Mr. HEWITT:

Question. Are you in the employment of the Government?—Answer. I am.

Q. In what capacity?—A. As commissioner of mining statistics.

Q. How long have you held that position?—A. Since 1868.

Q. In the course of your official duties, have you had occasion to visit the Emma Mine?—A. Yes; I visited the Emma Mine in July, 1871.

Q. Did you make more than one visit to the Emma Mine?—A. I never was in the mine but once.

Q. Have you been frequently in the Little Cottonwood region where the mine is situated?—A. I have been at Salt Lake, and up and down on the railroad, and in that neighborhood almost every year, but I do not know that I ever went up the Little Cottonwood Cañon but that once.

Q. Did you make an examination of the mine on that occasion?—A. I was admitted into the mine by favor of the parties during the pending litigation, and I made just such an examination of the mine as satisfied my curiosity, by their permission. It was not a very rigid one.

Q. Did you make any notes of what you saw?—A. Yes.

Q. Did you write a letter or a report on the subject?—A. I wrote at the time a letter to the journal which I edit, giving some facts about the mine, and I subsequently used my own notes in connection with those of other agents in preparing the next Government report, which was published.

Q. In what year was that report published?—A. In 1872.
Q. State to the committee the result at which you arrived in regard that mine.—A. I do not recollect what is in my Government report; at is, what is added to my own notes from those of other parties; t I can give you the exact impression that I had in my own mind at it time, and when I wrote to my paper.
Q. Have you refreshed your memory by referring to your paper?—I have glanced over it.
Q. Go on and make your statement.—A. I found that the mine con-ed of one large opening, which had been filled up with timbers ce the ore was removed, and on all the walls of which there was ore. at ore, according to my judgment, was in place; that is, it had not n put there. This opening was about 70 feet long and 25 feet wide. emember the impression that it narrowed somewhat toward the two ls. It had been mined out in floors of about 7 feet apart, leaving the ber-work in stories or cribs of 7 feet. Then under that opening there s a region of ground which had not been mined out, which had been ssed through by a shaft at the bottom of the mine, and under that extracted body were other floors, where extraction was going on. I not sure now whether I went down to the very bottom-floor or not. The foreman of the mine, or it may have been the mining captain, d me during my visit that at the very lowest point opened in the ne (which point was then under water, not very deep, but still under ter too far for me to see) the vein was narrower, or that the body ore was narrower. I consequently got the impression that that l was narrowing at the bottom, and was narrowing at both ends of se openings, and as it was not distinctly visible on the top, of course ad narrowed before it had gone to the top of the rock. That gave the impression that the ore-bed was a lenticular mass, which impres-n was strengthened by the fact that it occurred in limestone where h masses are familiarly known to us in the West. But there were tain signs about it, particularly in the nature of angular fragments he limestone of the ore-mass, which certainly indicated and might held to prove some sort of a fracture and movement, so that it seems t it could be claimed with plausibility, that besides the chamber or ss of ore, (which I was satisfied was a mere percolation and impreg-ion,) there might be running through it also a line of fissure, so that s might be the bulge on a fissure-vein. I had never seen any fissure-ns of silver ore in limestone, but I did not see any reason why that uld be impossible, and I saw that this whole matter was in doubt il further explorations could determine it.
t was my peculiar position that prevented me, at the time, from ting up and publishing anything very elaborate on those points, be-se the mine was shut up to everybody, but both parties were par-larly courteous and friendly to me, and I had no business to inter-e with their business one way or the other. The company that held mine at the time, and which was engaged in a suit, I think inti-ted to me (at least I got that impression about the mine) that the son why they could not make any explorations or settle all these ubtful points was because the mine was in litigation, and they did care to open it up for the benefit of other parties, or to give infor-tion to other parties. I consequently abstained from saying anything blicly about my impression or opinion as to the continuance of the n, except to say that that question could not be settled without further loration. The actual extent of the reserves of the mine (as I under-nd the word reserves, being the ore that can be relied upon) was con-

fined to whatever was above the main opening, which I had traversed, (between it and the surface,) and to the body which was under the floor of that opening. As to the ore overhead, we knew how far it was to the surface, and we knew that on the surface there was no outcrop of ore, and I think I assumed that it went half way to the surface, and that I hastily figured in my own mind that there might be two or three thousand tons of ore above the workings there which could be extracted.

Q. You mean independent of this extracted mass?—A. Yes, sir. I thought there might be two or three thousand tons above. I do not recollect the exact figure of my calculation, but it was not a large amount.

Q. Did you make any estimate of the quantity below?—A. I declined to consider the quantity below as reserves. It had been only pierced in one place, and I thought that the fact that it was not worked at all, and that there was no security about its being ore of that same high grade, precluded my considering it as actual reserve. I do not know what the full course of my reasoning on that subject was.

Q. Did it give indications of being pinched up there?—A. The foreman was reserved but frank with me on that subject, and when I asked him about the bottom, he said in a sort of miners' free-masonry, "Well, it is pinched."

Q. What did he mean by being pinched?—A. That the vein was narrower; that the walls were not so far apart.

Q. Did he tell you anything about what he struck in the shaft at the bottom?—A. He said that the shaft was in ore. He did not admit going to the rock up to that time. I think the shaft continued deeper afterward. My conclusion, therefore, was that what signs I could see at the time did not prove at all that the vein was not a fissure-vein, and that if it was a fissure-vein this narrowing would be merely local, and a part of the regular alternations of such a vein; but that if it was a mere mass of ore in limestone, accumulated by percolating the limestone, or a contact deposit in limestone, then there might be another one connected with it, or there might not be, but that certainly there was no law by which we could follow one to the other, and that it could be ascertained only by exploration. I should not have been willing to declare that the mine was not a fissure-vein, but I did not think it was, according to the signs thus far developed. The developments were not sufficient to settle the question. I said then (or immediately thereafter, when I heard of the price that was put upon the mine) that the price was too high for the showing; that the mine might be worth that amount at some time, but that in my opinion it was not worth that amount on the developments which had been made.

Q. What judgment did you express as to the value of the mine?—A. I do not recollect that any opinion was expressed. I know what my opinion was.

Q. What was your opinion?—A. I thought that, as mines went, and according to my own experience and observation in regard to them, in the condition the mine then was, $1,000,000 would be all that the risk was worth for the reserves that were in sight. But I knew nothing of any assets of the company, ore on the way, or anything of that kind, and, moreover, I have not hesitated to say, as I believed, that if these people would go ahead and develop the mine, they might show something in a week that would make it worth $2,000,000, and my point was that it was not shown up.

Q. With reference to the location of the mine; this, as I understand, is the most southerly of the mines on that range; is there any mine to

the southeast of it?—A. There may be. I recollect distinctly that there were, but I cannot recollect their names, because the whole country was immediately plastered with locations.

Q. I mean working mines?—A. I do not know of any.

Q. The Emma Mine is the first working mine on the range?—A. To my recollection; I cannot tell.

Q. Did you find any other mine at that time working to the northwest of the Emma Mine?—A. Yes; there were a number of them. The Brunner opening was a very short distance from the Emma, within a pistol-shot of it, I suppose.

Q. Has it fallen within your official duties to consider the mining laws of the United States?—A. Yes.

Q. Under the mining law, as it existed at that time, assuming that the Brunner location was older than the Emma, and that Brunner was working his mine, could the owners of the Emma Mine have followed its vein into the Brunner location?—A. Certainly they could not without trespass.

Q. As the law stood at that time, what would have been the effect of giving the Emma Company a patent as against the Brunner Mine? Did that patent cover the Brunner location?—A. I do not think it did.

Q. Suppose that in going down they had come to a vertical line dividing their location from the Brunner location, could they have gone into the Brunner location as the law then stood?—A. As I understand it they could not.

Mr. PHELPS. That is a question of law, not of evidence, and that question has been settled.

Q. At what period did you understand that the law in that particular was changed, and by what event?—A. I never have understood that the law was changed, but I read in the papers a decision of Judge McKean which I thought took a different ground.

Q. What was the nature of that decision?—A. As I recollect it, Judge McKean held that the owners of a patent had a right to "swing their patent," as the miners phrase it, (that is, turn it round;) for instance, if the patent gave them a distance of 15 feet or 24 feet upon a vein running according to the survey in a certain direction, and if, in working on the vein, it was found to run in another direction, they could take the same distance in that other direction without regard to the lines in the patent.

Q. Under that decision, do you understand that the owners of the Emma Mine (if that decision is sustained) could go into the Brunner location and take the ore from the Brunner claim?—A. I cannot see any other meaning to that decision. That would be the only result; (that is, Brunner not having a patent.)

Q. Have you been necessarily, from the nature of your duties, familiar with the product of silver-mines all over the western country?—A. More or less.

Q. Have you ever seen a silver-vein in which the product of first-class ore exceeded the product of second-class ore?—A. It might be, by simply skinning the mine, and taking the first class and leaving the second class, but if the whole body of ore is taken out, in the nature of things, the second-class ore would be the most abundant.

Q. Look at the statement in this prospectus showing the amount of first-class and second-class ores, and of the reserves, and say whether, with your knowledge of the matter, if that statement were presented to you, you would, from the nature of things, consider that it could be an honest and reliable statement—remembering this in addition, that a

large amount of first-class ore had been taken out, sold, and smelted?—A. Taking that in connection with the remembrance that I have as to the classification of the ore there, I should say that that might be an honest report. I see nothing in it to absolutely disprove it, because there might be a good deal of second-class ore not mined, and some of the second-class ore was rated very high on account of the freights, which rendered it impossible to ship it as first-class ore.

Q. Do you think it was possible, between the time when you visited the mine and the 15th of October following, to have made a development of that mine which would have shown 13,250 tons of first-class ore in sight by measurement?—A. Yes, sir; if the ore was there, it could have been shown in that time. There is no doubt about it.

Q. Have you followed the history of the Emma Mine from that time down in any way?—A. Only by the reports of the company and of my correspondents in Utah. I never made a personal examination of it since that time.

Q. Have you ever had occasion to investigate whether this statement of first-class and second-class ore was in fact realized?—A. No, sir; no more than any other reader.

By Mr. CHITTENDEN:

Q. I believe you are not a lawyer by profession?—A. No, sir.

Q. You say that you are familiar with the statutes relative to mining?—A. Yes, I am familiar with the United States statutes.

Q. In the act as it stood in 1871, is there not the provision express that the surface to be located in a patent is so much land for the convenient working of the mine?—A. I do not recollect the exact words, but I think that that is a fair statement of it.

Q. And does not the same act provide that the patent shall cover the vein, with all its dips, spurs, angles, and variations?—A. I believe it does.

Q. If a location is made of 400 feet on a vein with all its dips, spurs, angles, and variations, do I understand that it is your opinion that the vein may not be followed in any direction where it goes?—A. For the purpose of enabling me to explain myself I answer the question in the negative, and now I ask the privilege to explain. When the vein is worked under possessory title, the customs of miners (which are recognized by the United States law) give to the miner the right to do what is called "swing his location." If he reckoned the vein as running east and west, and afterward found that it ran north and south he can take the same distance on the north and south line, even though it should blot out subsequent locations ignorantly made, but the Federal law of patents provides that a certain amount of work shall be done to develop the real course and nature of the deposit, and that, after that an accurate survey shall be made, and that that survey shall cover the course of the vein. Now I hold that, under the law, even as it stood in 1871, the miner or patentee is bound by his survey, because if it were not so, there never would be any construction of the law that would settle the rights of title. That may not be a lawyer's view, but it is my view. Miners are bound to know in that time what way the vein goes, and his survey must cover the vein, and if it does not, he is bound by the survey.

Q. Suppose that in this case of the Emma Mine a patent is issued for 400 feet on that vein with its dips, spurs, angles, and variations, do I understand you to say that that patent only covers 400 feet vertically, or that, being on the vein, the patentee may follow it wherever it goes

to the extent of 400 feet?—A. I say that, in my opinion, the patent for 400 feet of the vein is not a patent for 400 feet necessarily of the vein, but is a patent for a certain survey which is supposed to contain 400 feet of the vein, and if that survey does not contain it the patentee has not got it.

Q. Is not the language of the act to which you refer, that the patentee may locate on so many feet on the vein?—A. Location and patenting are two different things. There is a dead-lock on the subject in the courts. It is decided one way in Colorado and another way in Utah, and I am as safe in following one decision as in following the other.

Q. Do you not know that the decision of Judge McKean in Utah followed several decisions already made by the courts in California?—A. I know nothing more about it.

Q. I understand you were never at the Emma Mine but once?—A. That is my recollection.

Q. About how long were you there?—A. Perhaps about half a day. I remember taking a meal there, I think.

Q. And you were there in the latter end of July, 1871?—A. I cannot tell you what day it was, but I think it was prior to the 20th of July. My only ground for thinking so is the date of my letter, which I find is dated the 24th of July.

Q. Who was this superintendent of the mine whom you had your talk with—was it Mathews?—A. It may have been Mathews, or it may have been his foreman; my impression is that it was not Mathews. We understood the situation perfectly well. Mr. Mathews knew that the mine was in litigation, and so did I, and I therefore did not ask him any troublesome questions.

Q. Did not the mine present the appearance to you at that time of not having been worked with a view to exploration?—A. Undoubtedly.

Q. Between that time and the 16th of October, the date of Professor Silliman's report, you say there is no reason why developments of other large bodies of ore might not have been made?—A. Yes.

Q. Whether they were or were not made, you do not know?—A. I do not know. I believe that they were made.

Q. It was so reported by Professor Silliman, was it not?—A. I believe so.

Q. Have you ever heard it claimed by any of the owners of that mine, or by anybody connected with it, that the Emma was what is technically known as a fissure-vein?—A. No, sir; I never heard any of the parties say so. I think it was claimed in Professor Silliman's report. He has claimed it to be a fissure-vein.

Q. Have you any doubt that the Emma Mine is situated on a true vein?—A. Yes, sir; I have.

Q. You think that it is not?—A. I do not know; I say that I have doubts. A true vein has but one meaning, and that is a fissure-vein.

Q. Might there not be a vein coming up between two different kinds of rock?—A. We have other names for such deposits than fissure-veins.

Q. What are they?—A. They might be beds, they might be infiltrations, they might be segregations, or they might be contact deposits.

Q. You made a report on this Emma Mine, which was published in 1875, did you not?—A. I presume that my Government report of that year has something in it about the Emma Mine. It has every year.

Q. In this report you say, "The Emma Mine has been worked during the greater part of the year. The product has been about 6,000 tons of second class ore, which was concentrated, and about 300 tons of first-

class ore. Work is now entirely suspended and several attachments are now placed upon the mine."—A. That is a transcript of a report from my correspondent.

Q. Of course before this report of 1875 was made, you examined all the details in it, did you not?—A. To the best of my ability.

Q. And this report went out under your sanction, although you did not personally make examinations?—A. Yes. I did not personally observe every fact recorded in that book.

Q. I notice that this report closes with the statement, "We have shown that the connection of the line of fault is continued throughout the entire length of the vein as far as known; that the fault has been passed in the South Star Mine, and so far as developed the ore continues downward; that the vein is probably a contact one between different bodies of limestone, and we might even extend these points of resemblance by showing a similarity of ores of the different mines; but the evidence given may be supposed to convey all that is required to give strong grounds for believing that the Emma Mine is not exhausted, and that there is good reason for a further extension of explorations downward." That went out under your sanction, did it not?—A. Yes, sir.

Q. There is also here a cut which seems to have been prepared by Mr. Morton. Was it so prepared?—A. Yes, sir.

Q. Does that correctly give your ideas of the fault, and the probable course of that vein, from what you at present know of it?—A. The extract which you have just read in fine print is an extract from an article by Mr. Morton, and is published in my report, (as that cut is published,) without indorsement by me, and simply to give Mr. Morton's opinion on the subject. If you read the sentence before it you will see that I say, "In connection with what has been said, I publish the following by Mr. Morton." I neither indorsed it nor disavowed it. It is a very interesting article, and I published it as such. I was very favorably impressed with the article, and was inclined to consider it a very forcible presentation, but I never adopted it, and had not any means of giving an independent opinion about it. I will save you a good deal of trouble by saying that the fine print in that report is always quoted and does not go under my official indorsement.

Q. When this report was published, had you any information which threw any doubt on your mind as to the correctness of this article?—A. No, sir; none whatever. I had a high opinion of Mr. Morton and his views.

Q. If the developments were made as stated in Professor Silliman's report, they would largely increase the value of the mine, would they not?—A. Yes, sir; if the statements and reports were true.

(Mr. Phelps here read and put in evidence portions of the letter written by the witness, dated Salt Lake City, July 24, 1871, and published in the Engineering and Mining Journal. Articles from the same journal, of 12th and 19th December, 1871, were also put in evidence by Mr. Hewitt. These are attached to the testimony of the witness, marked Exhibit A.

Mr. Chittenden also read and put in evidence extracts from testimony given by Mr. Clarence King in the case of the Eureka Consolidated Mining Company against the Richmond Mining Company in Nevada, 1873. This is also appended to the testimony of the witness and marked Exhibit B.)

By Mr. HEWITT:

Q. Are you the author of this article in the Engineering and Mining Journal of 12th December, 1871? (Exhibiting it.)—A. Yes, sir.

. I will read an extract from it: "The Emma Mine has been put on London market at the very high price of £1,000,000, and it is re- ed that not only half of the stock has been sold at this rate, but ; it is now in demand at a premium. We do not see in the prospec- any justification for these high figures except a historical one. The e appears to be valued at $5,000,000, because it has produced some 00,000 already, and no positive proof is offered as to the amount of actually known to be in reserve—at least, none that we have seen. it is our impression that no single mine in the country is worth 00,000, we feel of course sincere regret that the proprietors of the ma Mine have obtained so much for that property."

By Mr. PHELPS:

. Are there no mines on the Comstock lode that are worth more n $5,000,000?—A. At the time that this was written there were not.

. What did the Gould and Curry Mine sell for at one time?—A. At ,000 a foot, I suppose.

. Did it not sell for more than $5,000,000?—A. Yes; but at the e this article was written I do not think there was any mine in the ntry worth $5,000,000. It may have meant outside of the Comstock , for we always consider the Comstock lode an exception.

. Do you know what the Crown Point and Belcher were selling for hat time?—A. I do not.

. Were they not selling at that time at the rate of about $20,000,- ?—A. I think they were not, but I do not pretend to say; and, even t were so, it was not the intent of this article to apply to the Com- ck lode. I wish to add that at the time I saw the Emma Mine I ught that $1,000,000 would be all that could be fairly risked on the nces. When I subsequently saw Professor Silliman's report, I ught that the mine might be worth two and a half millions of dollars. at was the time when it was sold for $5,000,000. My distinct feeling , at the time that the mine was sold for $5,000,000, that it was worth and a half millions. It was a question of what people were willing pay for the risk.

By Mr. HEWITT:

. When you wrote that article, had you seen the prospectus that s published in London?—A. Yes, sir. There was another article lished on the 19th, giving the figures in the prospectus, and saying t even on those figures the mine was not worth $5,000,000.

Mr. Hewitt presented and put in evidence the report of Clarence ng, dated July 11, 1873, which is also appended to the testimony of s witness, marked Exhibit C.

Mr. Chittenden also put in evidence an extract from the report on ning statistics, which is marked Exhibit D.)

EXHIBIT A.

The Cottonwood Cañons.

SALT LAKE CITY, *July* 24, 1871.

he other day a couple of us started on horseback (the only way to travel freely and all you wish to see, in this region) for a trip through the Salt Lake Valley, and tle and Big Cottonwood Cañons. The "State road" through the valley is a broad hway, leading to all the Mormon settlements in Southern Utah. At this season it isagreeably dusty, especially when (as is frequently the case) a wind-storm comes ugh the Jordan Valley, driving the dust before it in blinding clouds.

he principal mining districts now occupied in this Territory lie in the Wahsatch

range, east of the Jordan, and in the Ocquirrh or West Mountains, west of that river. Many of them take their names from the cañons in which they are located. Thus we have, proceeding southward along the west flank of the Wahsatch, Big Cottonwood, Little Cottonwood, and American Fork districts, the latter of which is about thirty miles south of Salt Lake City, and across the Jordan Valley, on the east flank of the Ocquirrh, Bingham Cañon, and on the west flank (toward Rush Valley) Stockton and Ophir or East Cañon.

The mountains are well watered, and from each cañon a clear, rushing stream find its way into the valley, after furnishing abundant water-power in its course, and finally supplying to the agricultural population the means of extensive irrigation.

Leaving the great highway, the road to Little Cottonwood crosses for five or six miles the low foot-hills, formed by the detritus washed from the mountains. These are not generally cultivated, and present to the traveler little but the dusty gray sage-brush, except in the immediate vicinity of the streams. Along the base of the steep mountain-faces runs the bench or old water-line, indicating the former line of the great fresh-water basin, a small portion of which is now occupied by Salt Lake. This bench can be distinctly seen, even at a great distance, and can be followed for many miles along the mountains.

The Wahsatch range at this point consists of upturned strata of sandstone, quartzite, slate, limestone, and granite—the latter apparently of sedimentary origin, like the rest. Whoever undertakes to explain the geology of the Cottonwood Cañons on the theory that the granite is eruptive, and forms the central mass of the upheaval, will, I suspect, be involved in serious contradictions, and will be obliged to twist the facts considerably to fit them to this notion. The general course of the strata is nearly northwest and southeast, bearing rather toward east and west, and thus crossing obliquely the geographical axis of the range, which is nearly meridional, as well as the course of the cañons, which is (windings apart) on the whole east and west. Thus in riding through the cañons, one may observe on both sides the successive strata, the edge or outcrop of each one on the southern side being farther up the cañon (east) than its continuation on the northern side. The dip is usually about 60° N. E.

The scenery in the Cottonwood Cañons is both grand and lovely. The Big Cottonwood Cañon is wild, precipitous, narrow, and tortuous. At twenty different points, as one rides along the bank of the stream, the rock masses before and behind seem to close up, and leave neither inlet nor outlet for the tumbling waters. But the reckless river, getting used to this sort of thing at last, plunges boldly toward the apparently impenetrable barrier, and, lo! a narrow fissure, unseen before, opens around some jutting crag, and the flood surges through, to enter another *cul-de-sac* and escape again by a hidden outlet. Those who have admired the Devil's Gate, in Weber Cañon—the most romantic point on the Union Pacific Railroad—will understand from the hint which that one spot gives, what must be the picturesque effect of this cañon, which is crowded full of such surprises. Weber Cañon, in fact, has in a feeble degree many of the characteristic features of the Wahsatch scenery; but Big Cottonwood excels it in every particular. The vast overhanging peaks and cliffs on either side, rising three thousand feet or more above the road; the musical brooks that pour down their steep gorges, now leaping in cascades, now burying themselves to re-appear as cool, clear springs; the stately forests of pines and aspens; and last touch of beauty, the stains and patches of brilliant color from innumerable wild flowers that cover acres and acres of the mountain-sides with pure white and delicate blue and bright yellow and fiery red and imperial purple hues—these elements all combined, and viewed through the marvelous lens of the spotless upper air, present a picture impressive and inspiring beyond words. Each of our great mountain systems, the Alleghany, the Rocky Mountains, the Wahsatch, the ranges of the great inland basin, the Sierra Nevada, and the Coast range, has its peculiar style; but it seems to me, after seeing them all, that the Wahsatch unites more completely than any other (unless it be the Cascades of Oregon) the softness, beauty, and luxuriance of the East, with the sublimity and solemn grandeur of the West—blazing splendor with delicate tint and shade—the silence of eternal summits with the melody of many waters—the bold, rugged outlines that speak of resistless power with the graceful robes of leafy rest—the glory of the sky reflected in the glory of the flowery earth.

When it is added that the mouth of this cañon is not more than fourteen miles from Salt Lake City, and that even this short distance will soon be traversed by rail, so that the tourist can leave the cars almost at the very mouth of the cañon, it will be evident that this remarkable scenery is destined to become well known and loved by thousands of travelers. Indeed, I do not doubt that Salt Lake City, so interesting on many accounts, will be a great resort of pleasure and beauty seekers henceforward.

But my pen has run away with me, and, disdaining the prosy mines, has reveled in themes which the engineer should, perhaps, avoid. I will force the unruly steed back again for a brief period, merely adding to the foregoing description of Big Cottonwood Cañon, that Little Cottonwood is also romantic and interesting, though not in so great a degree. We ascended the latter, and were overwhelmed with admiration; but sub-

quently we crossed the summit-ridge into Silver Fork, and so on down to Big Cottonwood, the impression of which has somewhat overlaid and obliterated our vivid eling toward its neighbor,

At the mouth of Little Cottonwood Cañon are Colonel Buell's reduction-works, mprising two Piltz furnaces. The location is magnificent, affording a fine water-wer, excellent dumping-grounds, &c. The furnaces were both idle, one being just ady to start and the other being choked with a huge salamander. Half-way up the non we passed the works of Jones & Pardee—one shaft-furnace, half-strangled with salamander, but smelting bravely (though foolishly) on, to the last gasp. At the ead of the cañon, about nine miles from the mouth, is the town of Central City, ound which, high up on the steep mountain-sides, are the silver-mines, in a heavy ratum of limestone, overlying granite. At this point the mountains inclose a sort of nphitheater, in the middle of which appears the rounded granite back of an immense *che moutonnée*, indicating pretty distinctly that this part of the valley was hollowed it by a glacier.

The principal mine is, of course, the Emma. It is somewhat difficult, owing to the sarp litigation as to title, to get access to the workings; but a pass from the proper ithority gave us admittance, to which, of his own free will and courtesy, Captain athews, the superintendent, added a cordial and hospitable welcome.

The Emma Mine is a deposit inclosed in the limestone, or rather dolomite, to which llusion has been made. It seems to be lenticular in form; but no careful explora-ons have ever been made to determine its extent. It is reached by a tunnel and a aft, the latter being now used for ventilation only. The ore is extracted by floors, n the *stockwerk* system, and the immense cavity is filled with heavy, squared, and iortised timbering, exactly like that employed on the Comstock lode. This cavity is ow, perhaps, seventy feet long, by twenty-five or thirty broad. In height, there are en floors (about seventy feet) above the tunnel, then thirty-eight feet of solid ground elow, and below this again four floors where excavation is going on. The mine has hipped 3,400 tons of ore during the past five weeks; but much of this, no doubt, was iccumulated previously, when the roads were impassable. The present possessors of he mine are evidently taking out ore as fast as possible. The attempt made by Mr. Lyon, an opposing claimant, to enjoin them against working, failed by the refusal of the court to grant the injunction. So, pending the decision of the Lyon suit, they are making hay while the sun shines, though, at the same time, they profess to be confident that their title will be upheld.

The ore is composed of earthy carbonate of lead, and oxidized and decomposed antimonial and arsenical ores, with frequent nodules and occasional bunches or large masses of gelena. Arsenical pyrites, and arseniates of iron, resulting from its decomposition, are also present. The amount of sulphides and arsenides in the ore, even when it appears wholly decomposed, is great enough to make a preliminary roasting before smelting advisable, and the omission of this preparatory treatment is doubtless one cause of the unsatisfactory results thus far achieved by the shaft-furnaces. The gangue is principally dolomitic, sometimes interspersed through the ore, sometimes accumulated in irregular brecciated masses, which belong to the "vein-matter," though they are not classed as ore. Silica is apparently subordinate, though it is present as a close companion of the metallic salts. There are no well-defined walls. It is seldom necessary to blast, and the process of extraction is very cheap, except in the item of timbering. The value of the ore shipped last year was $180 per ton. I judge that the present shipments are not always so rich. The galenas and carbonates are not separated, but all mixed together, and sent to Liverpool for sale, except small lots, which are now and then sold to the local smelting-works for purposes of experiment.

The public estimate of the daily profits of the mine is much exaggerated. As to its probable duration, nothing can be said, in the absence of proper explorations in the mine itself. The usual course in such cases is, that the mine "weakens" long before it really gives out; the stockholders rush from the topmost extravagance of satisfaction to the bottommost depth of despair, and there is a "panic." There is little proof now as to the real extent of the Emma deposit, beyond a few thousand tons actually in sight, or supposed to exist between floors already open, and between the uppermost floor and the surface. I fancy the company does not care to open up more ground in advance, while litigation is pending.

The Flagstaff is another productive mine of similar character, in the neighborhood. It likewise is in litigation. A little higher up on the mountain are the Savage and Montezuma, also deposits in limestone, but not conformable with the strata in dip or strike. Still higher, in fact, over the ridge, and at the head of Silver Fork, is the Davenport, a mine of great promise, which is shipping rich ore, and cursed, as usual, with a lawsuit. Ditto the Highland Chief; ditto almost every really good mine in the group.

But I must shut up my note-book and close my letter. One cannot be as thorough as one would in these rapid wayside chronicles.

R. W. R.

[From the Engineering and Mining Journal, December 12, 1871.]

MR. SCHENCK AND THE EMMA MINE.

The Emma Mine has been put on the London market at the very high p £1,000,000, and it is reported that not only half the stock has been sold at th but that it is now in demand at a premium. We do not see in the prospectus an fication for these high figures, except a historical one. The mine appears to be at five million dollars, because it has produced some two millions already, positive proof is offered as to the amount of ore actually known to be in rese least, none that we have seen. As it is our impression that no single mine in th try is worth five million dollars, we feel, of course, sincere regret that the pro of the Emma Mine have obtained so much for that property. The operation i one for them, but it will re-act unfavorably on the whole future condition of t lish market; and taken together with the decline in the shares of other A mines, (many of which were sold, like the Emma, on the strength of a brilli history,) it will tend to prevent the more moderate, cautious, and numerou ments which this country really needs, and can make profitable to investors.

This being our view of the case, we cannot defend Mr. Robert Schenck, the States minister to England, whose name appears in italics among the director new Emma Company, and also as one of the three trustees for the shareholde ing the transfer. If there should be hereafter any disappointment among t chasers of this stock, Mr. Schenck will wish he had not lent it his official di he has done.

Nobody calls the Emma a vulgar swindle. It is well known to have been on most profitable mines ever discovered in this or any other country. But the q whether it is worth five millions of dollars, is a serious one; and the course of cial representative of the United States in indorsing a scheme which puts such on the mine in its present condition, is doubly blameworthy. It will not l moral aspect of the matter much, if the mine turns out to be worth all that i to be worth; but in the other, not impossible event, Mr. Schenck's conscience quickened by a decided disgrace.

It is rumored that the promoters of the scheme foresaw the probable conde of the embassador's action, and that he withdrew his name, now that it ha plished all that could be desired. The public discussion, it is said, has been advertisement needed by the company to distinguish it from numerous othe prises seeking popular favor. The plan does honor to the shrewdness of the pr but not to the judgment of the English public, nor the good taste and delicacy no stronger term) of the American minister.

[From the Engineering and Mining Journal, December 19, 1871.]

THE EMMA MINE AGAIN.

In our comments upon the recent sale of the Emma Mine in England, and nection therewith of the American minister, we did not render complete justic brilliant history of the mine. The secretary reports, under date of October that the following amount of ore has been extracted: 3,000 to 4,000 tons, fi estimated to have been shipped prior to July 12, 1870; 14,500 tons, first class, e from July 12, 1870, to October 14, 1871; 8,000 tons, second class, on hand at t making 25,500 to 26,500 tons of all grades. At $182 per ton, (the value of the fi ore shipped in 1870, which, we think, has not been exceeded by the average sh of 1871,) we have over $3,000,000 of gross product, exclusive of the second-clas hand, which is estimated at $75 per ton.

Professor Silliman reports (according to the statement of the prospectus) 13 of first-class ore still in the mine, of the estimated net value of about $1,750,000. dition to this, the assets include some $200,000 cash, $350,000 estimat d net 8,000 tons of second-class ore at the mine, about $300,000. The plans, machiner ings, stores, &c., are included, but not appraised.

These estimated assets seem very large; but we can afford to accept them changing our opinion as to the price put upon property. It still remains a question, whether a mine that has yielded three millions, and is estimated to under ground and in dumps, two and a half millions more, is worth five r Professor Silliman's report, as quoted piecemeal in the prospectus, commits opinion that "beyond all reasonable doubt" the Emma is a true mineral vein power. If this means (as it certainly ought to mean) that the Emma is a regular vein and may be expected to continue indefinitely in depth, we can only say t evidence proving "beyond reasonable doubt" such a conclusion must be of ver date.

Professor Silliman's examination is the latest that has been made, and his has the weight of "the last word," though it contradicts that of other expe

om from the beginning the Emma has been set down as an interstratified or lenlar deposit.

t is upon this one point that the appraisal of the property at $2,500,000 more than "value in sight" is based. We have no doubt that Professor Silliman has had hing to do with fixing this price, and the whole thing illustrates what we said in a ent article, that the opinions of experts are employed, and their reputations risked, ways which they would not justify, but cannot always prevent.

Meanwhile, Mr. Schenck's position is not affected by any of these considerations. e prospectus announces that "on account of the exceptional character" of the undering, he has permitted the use of his name as director. This part of the undertaking ertainly "exceptional," and ought to be made, like other exceptions, to prove the e, "that American embassadors must not sell their official influence for speculative poses."

Exhibit B.

tracts from the stenographic report of the evidence of Clarence King, a witness in the sui- 'Eureka Consolidated Mining Company against the Richmond Mining Company," in Net ada, in 1873.

Q. Just describe, in your own way, how, in your judgment, that deposit of ore was med there, the cavity formed in which it was deposited, how the ore was formed, d how it is classified by geologists, or how it would be classified.—A. The geological mation of Ruby Hill is quite a simple one, the main mass of the hill being formed an underlying bed of quartzite which is capped by transition strata of siliceous estone, and followed upward by heavy beds of crystalline metamorphic limestone. is hill, from its evident connection with the other mountains of the region, is the oled fragment of a fold or mountain uplift. The strata of which it is composed are bmarine in origin. They belong, as is shown by fossils discovered here in them by sistants of my own, to the Silurian and Devonian period, a very early period of the ratified rocks. These fossils also show that it was an oceanic deposit. Other geologil evidence, gotten in here and throughout the Great Basin, shows that these strata ere lifted from their submarine position at the close of the Triassic period and folded to mountains and permanently lifted above the level of the sea; in fact, at that time ey reached their present altitude above the level of the Pacific. Such an immense lift as this, with the consequent pressure in the axes of the folds, produce two great ects: the metamorphism of the strata, and the fissuring of the strata. Connected th such deep-seated fissuring as must necessarily take place in the folding of beds ich our survey has proven to be thirty thousand feet thick, the fissures must necesrily penetrate to a great depth; and that they have penetrated to a great depth is oven by the deep-seated chemical action which has made itself evident through ese fissures, resulting partly in mineral veins, partly in metallic mineral veins or des. In this especial instance, the evidence of uplift is present in the inclination of e main beds of the formation. The evidence of fissuring is present in the dislocation strata, the presence of planes of fissuring, of cavities and of striation of surface, dicating actual faulting. So far as that goes, we have then, up to that point, submarine deposit lifted high into the air, metamorphosed and riven with fissures. pon entering the Richmond Mine at this point, B, where the old incline begins, we find rselves immediately in ore, or within a few feet in ore, and following its workings downard to this point [showing] with a descent of about 140 feet, if I remember right, or 138 rhaps, to be more exact, we are all the way in ore. That ore is composed of three cognizable zones, that next the lower country-rock or siliceous limestone, containing iefly iron material impregnated with galena and carbonate of lead and silver; a central ne, chiefly occupied by carbonate of silver and lead, colored with oxide of iron; and a ird zone, which usually caps the deposit, which is poorer, chiefly oxide of iron, whose nure of ore, however, is carried up by gold. The presence of a deposit of this charter—I use the word deposit not in the technical sense in which it has been used re, but in the genuine sense in which alone it is known to geologists, so far as I am rare, to include all those bodies of ore which are found in the solid rocks, or otherise all deposits of ore. The presence of such a—I should go back a little further and ate that, at three points in the Richmond workings, having gone downward through the e perpendicular to its general inclination, we come upon a surface of siliceous limeone, which, in my opinion, is the definite foot wall of the vein, and that at two other aces in the upward developments of the mine we come upon broken surfaces of limeone, more or less shattered in their surface, more or less impregnated for a little way th bunches and stringers of ore, which I take to be the rough hanging wall of the lode. e presence of a body of ore like this inclosed in the solid rock can have owed its gin to only one, as I take it, of three possible causes; either it was laid down synchronously with the strata, that is *upon what* is now the approximate foot-wall of the vein,

limestone, which are termed "horses," not going through like a continuous
they had been deposited upon a top portion of the ore during the general
of ore, but terminating at their ends, and of irregular form, thereby conclus
ing that the body could not have been deposited in the ordinary method
deposition.

To examine for a moment the other possible theory, *that it was poured in f*

Ample geological evidence exists that these mountains, as I have said
close of the Triassic period—a period anterior even to the chalk period of
have been in their present positions of elevation, and furthermore, that th
gions of the great basin that have been since that period covered by water
covered by fresh-water lakes. They simply occupied the broad meridional
of valleys or synchronal axes of those ranges resulting in proof, to my mind
conclusive, that these mountains have never since that period been covere
and in order to suppose the mineral material to have been poured in from
should have to have some angel Gabriel with a pitcher or some other superhum
to get this material in there; and the fact that it was never done is proven
ditions within the ore body itself, for whenever you pour a material into
shows the results of stratification inevitably, which this does not, show
ding parallel in a measure to the inclination of its dip. Furthermore, in or
the cavity to have poured this material into from above, it is necessary tha
have had a fissure to begin with, for the water percolating or flowing over soli
has not the power to cut or erode its way into it. It must first find some cr
fissure, some hole formed by dynamic agencies, into which it can percolate
the cavern or aperture or hollow, or whatever you wish to call it. Therefor
it could not have been poured in from above, and that even if the evidence of st
were present of its having been poured in from above, it would neces
implied a fissure to begin with. I therefore reject these two proposition
the proposition of a bedded vein or of a deposit poured in from above.

I am therefore driven back on the first theory, *that it is a vein or lode*, an
briefly as possible examine the evidence which exists bearing upon this que

In the first place, within the Richmond works—I will indicate the poi
mean exactly. At this point here, [showing,] just within the little arched n
which overhangs the opening of that tunnel which runs to the Richmond i

Mr. HILLHOUSE, [Interrupting.] Just designate it, if you please, by let
go along, Mr. King, and we can get it down.

Mr. KING. Well, it is in the immediate neighborhood of that, B—I don't
in a half an inch there on the map exactly the spot, for that little arch
indicated—and underlying the body of ore, is a smooth well-defined face o
sessing upon its surface marks of attrition or striation, the polish of mov
differing altogether from the ordinary rough planes of stratification. Upon
the main incline of the Richmond Mine and following this lowest level to

Beneath what I called the foot-wall, the shaft has gone down on an incline of 250 or 300 feet underneath the foot-wall, altogether in country limestone, and run out in a drift through country limestone; proving that at those points there are no important or considerable stringers or outlyers of ore in that direction.

The evidence, as I have said, of fissuring is in the surface of these walls, which do not absolutely follow the planes of stratification, and possess physical differences from those planes of stratification in the cross-fissures which make themselves apparent at the end of the workings in this direction (showing) and at the end of this ore-chamber—at the edge of this ore-chamber here (showing) where the limestone or the country rock, with also lines of fracture and fissuring, bound the deposits at those points.

Q. Now, name those points where it is bounded by that?—A. At this ore-chamber beneath the point of winze No. 5, and also at a point not on this map, where a long incline runs up on about the lookout line. So far as the surveyors have gone, they considered it to be just about on the lookout line.

I see every structural evidence that the origin of this opening *or hollow in the rock was by a fissure.* I believe that the ascending currents of mineralized hot water from the deep-seated solfatara, from which this thing emanated, in passing upward through these fissures, owing to the solubility, the ready solubility of the limestone, has here and there often very greatly enlarged the original fissure, opening the great cavern which has been subsequently filled by ore. The whole history of the study of mineral deposits approaching this at all in character shows that they have proceeded from a deep-seated laboratory. The mineral combinations, the chemical combinations in which they are formed, cannot have been made except by the successive introduction of mineralizing liquids and gases. The presence of gold, the presence of arsenic, the presence of sulphydric acid which has mineralized the galena, together indicate the regular succession of chemical changes which have gone on, according to the best authorities, in chemico-geology, in all veins. The peculiarities, I contend, of this particular deposit are wholly to be accounted for by the special conditions of the country rock. Veins in general, that is, I mean the true veins, may be said to be the result of the forces of fissuring from a deep source, and, second, of the emanation of chemical materials from that deep and heated source. They differ from each other widely as to appearances, widely, as to chemical history, as to shape and form. Those veins which are in the solid granite and in a large family of gneiss, and crystalline schists rocks, present the phenomena of an ordinary tabular vein. Those veins, on the contrary, owing their origin to similar forces, but created in different country rock—those that are found in the volcanic rocks, the porphyries of Mexico, the prophylite of Hungary, and the porphyries of Washoe—are immense irregular veins, owing to peculiarities of the texture of the rock and the tendency to conchoidal fractures forming elliptical chambers which those volcanic rocks possess.

There is a third class of veins, those where the identical forces have acted on soft, sugary rocks, which, from their mineralogical and lithological structure, have a tendency when met by a given force to shatter in every direction. That class of rocks are the limestones and the dolomites of this world, and the same forces have acted on these dolomites and limestones in their metamorphic conditions. The results have been immense—irregular fractures of very great diversity of form and consequent irregularity and difficulty of following the ore-deposit itself.

I contend that the sole difference between the three classes of veins, is that of the country rock upon which the fissuring force has acted, and through which the deep-seated chemistry has done its work.

I also lay down this proposition, that, given the deep-seated fissure, and given the deep-seated chemical action, the form has nothing to do with its nature as a vein, and that the amplitude or irregularity of chambers in no way—in no way militates against the theory of its being a vein. I pronounce this to be a vein. * * * * * *

Q. But, then, the course of it, you say, or the regularity, makes no difference whatever in your decision as to its being a vein or a deposit?—A. Not if there are counterbalancing evidences on the other side.

Q. There are sufficient reasons, in your mind, to make you believe that this is a true fissure-vein?—A. Well, I should not class it with the technically known small fissure veins. I should class it as a bed-vein, and particularly as a pipe-vein generically. * *

Q. It never has been used in this country, America, has it?—A. *My attention was called to these veins in Utah as being pipe-veins by a Eureka expert.*

Q. In Utah?—A. Yes, sir; by a Eureka expert, as I said.

Q. I don't care about the Eureka experts; we will give you any of those that you need. When, Mr. King, did you first hear of pipe-veins in the United States?—A. Well, it is about two years ago, as nearly as I can remember.

Q. Never prior to 1866, did you?—A. No, sir; I was not aware of their being developed up to that time. There are certain districts which I have not visited myself.

Q. Had you ever seen what you call pipe-veins before you had seen this?—A. *Yes, sir: the Emma.*

Q. In Utah?—A. Yes, sir.

Q. In what shape is that?—A. *The Emma starts from the surface in a rather small insignificant fissure, followed by an opening in a chamber, out of which they have taken a profit of two million dollars; a small chamber, and then goes into another chamber, in which they hope to find another body of ore.*

Q. That you class as a pipe-vein?—A. It has been so classed by quite a number of experts.

Q. I want to get your classification, not what other experts class it.—A. *So far as the present developments go, I should say that it was.* * * * *

Q. Do you believe that silver-ore exists in anything other than what you would call a vein?—A. I do.

Q. Where?—A. In various parts of the world, in the form, for instance, the silver-mines of Königsberg, in Sweden, occur—in what is known as a stock-work; and there are other places where they occur, in what is known as "segregations."

Q. Don't those occur in a sort of channel, frequently?—A. I don't know what you mean exactly by a channel.

Q. A large channel of ore apparently extending some considerable length.—A. Yes, sir; they do. But when you narrow down the formation of a stock-work, it is nothing but an infinite number of fissures.

Q. Small fissures which are filled?—A. Certainly.

Q. Well, those are veins, then, according to your theory?—A. No, sir; they are not.

Q. Small fissures—what are they?—A. They are small. They are not——

Q. (Interrupting.) Small fissures filled with ore, more or less regular, are they not?—A. No, sir. They are very irregular.

Q. Is it not necessary for it to be regular to be a vein?—A. No, sir.

Q. Then why are those not veins?—A. They are an association of infinitesimal ores. On the same principle, I would not call a creek a river.

Q. Then they are small streams of ore running through there?—A. Yes; homeopathic, so to speak.

Q. That will do; but the same, you think, as the others really, only in size. Do you understand so?—A. There is one very grave distinction, and that is in the stock-work; ten thousand of these little fissures may have received their mineral direct from ten thousand other fissures, which receive them from ten thousand other fissures, and so on; whereas the true fissure-vein is supposed to penetrate by one cleft to the deep-seated laboratory. * * * *

EXHIBIT C.

SALT LAKE, UTAH, *June* 11, 1873.

To the Secretary of the Emma Silver Mining Company, (limited,) London:

SIR: At the request of Mr. George Atwood, your resident general manager, I have made a detailed examination of the Emma Mine. The results of this study, together with conclusions reached through a knowledge of the geological structure of the district, are herewith presented for your consideration.

I. The ore-body:

From the surface of the limestone mountain slope the Emma "bonanza" or ore-body was reached by the "Woodman" or "Discovery" shaft, which followed the vein or body of more or less mineralized lime gangue 60 feet downward at an angle of about 50°, conforming to the dip of the country rock. At this point, in the autumn of 1869, the great ore-body was touched, and from that date until the present time continuous exploitations has developed its form and extent, its mineralogical nature and commercial importance, and now, most unfortunately, its downward termination.

As the value and profit obtained are matters of record in your office, I avoid all discussion of the financial aspect of the mine, confining myself strictly to a study of the nature of the ore-body and its probable mode of continuance in depth.

The greatest longitudinal expansion of the "bonanza" was reached at about the level where the Woodman shaft first "struck" it, extending on this plane from 30 feet southeast of the shaft in a course of N., 54° W., about 190 feet, having a regular strike, and, as far as can now be seen, a reasonably-defined foot-wall.

Continuing downward from this upper limit the ore-chamber narrowed in its descent like a broad letter V until 170 feet down on the dip-plane it has contracted to a mere pipe of vein-stuff through which the ore is very irregularly disseminated.

The plane and cross-section accompanying Mr. Attwood's report give an excellent idea of the wide ellipsoidal figure of the stoped ground—a form not uncommon in American limestone silver-mines. The ore filling this extensive chamber has existed either in the form of argentiferous galena containing variable quantities of antimony, arsenic, and iron, or of such earthy and semi-ocherous products as are obviously the result of oxydation of the original galena.

The gangue consists of a finely-brecciated limestone, together with some quartz-sand and siliceous impregnations. Taken as a whole, the gangue is a local product, being in fact only a much-shattered zone of country-rock overlying the foot-wall.

hrough this crushed and sugary limestone the ore has lain in bunches of irregr shape, sometimes replacing the limestone altogether in large solid masses, and gain penetrating in small threads and stringers in all directions. The solid galena as first found on the foot-wall a little below the discovery, and on exploration proved spread in a great sheet over the whole foot-wall plane. Near the longitudinal oundaries of the ore (along the higher limits as well as at the lowest developments) is found that the galena gradually gives way to oxydized and sulphated products. his form of mineralization, evidently an action subsequent to the original and main e introduction, seems to have proceeded from below, rising along the hanging ountry and decomposing only the hanging-wall half of the galena sheet.

The result of this is, that in cross-section, counting from below, we have—

1st. The foot-wall.

2d. The galena sheet intimately mingled with marble fragments and practically giv-g out at a depth of 170 feet on the dip.

3d. An overlying sheet of oxidized ore, also mingled with marble breccia and a va-ed quantity of fine siliceous matter.

4th. The shattered hanging country limestone never rigidly defined as a wall, but herever cross cut showing with sufficient distinctness the limit of ore.

Into it, however, small irregular seams of ore penetrate for small distances, following lanes of jionture; but they die out almost immediately, giving way to pure limestone.

The main facts of the Emma "bonanza" are, then, its general form of a triangle, hav-g a broad side measurably conforming to the surface-line and terminating downward a narrow pipe or chimney of vein-stuff, whose ore has gradually, but surely, run own to a practically valueless grade. The mode of mineralization has evidently been, rst, an introduction (through the deep pipe) of these magnificent masses of silver-alena, which have permeated the shattered zone of marble along the foot-wall fissure nd deposited in the great ellipsoidal chamber; secondly, an after-period of chemical ction, also presumably from below, during which oxidizing solutions and, probably, ases rose through the same chimney and acting powerfully on the edges, bottom, and pper surface of the galena, (in fact, corroding nearly half the original ore,) produced he red and green ores.

It is also evident from the manner in which the galena is fractured in angular forms nd wedged among the brecciated limestone of the gangue, that the lode has been sub-ected to a crushing force since the solidification of the ore.

A close scrutiny of both longitudinal boundaries of the ore-mass shows a gradual hinning out and final cessation of ore and a convergence and final union of the upper nd lower country-rock into a continuous body of marble, in which there appears to be o well-defined central or predominating fissure.

I studied this question with the utmost care, and concluded that while the foot-wall ssure is easily recognizable through many parts of the main workings, it, however, ails to hold its continuity at the ends of the deposit; on the contrary the marbleized ountry-rock, although quite powerfully fissured in many directions, seems to show no ontinuation of the main fissure sufficiently well-marked to invite exploration on the ourse of the lode.

Shut in, then, at both ends by limestone, which gradually closes together in depth ntil the great ore-chamber becomes a mere narrow chimney, it seems vitally neces-ary to scrutinize the lower levels to see if there may be, either in the structural phe-omena or chemical appearances, any indications of either a permanent downward himney of ore or symptoms of a recurrence of such a "bonanza" as lay above.

In level No. 3 the ore, reduced in its tenure of silver, and more than ever mixed rith crushed and decomposed limestone, has narrowed to a vein of 5 to 6 feet, extend-ng on the level for about 65 feet. Downward into this, at points indicated on the plans, re sunk two winzes—the more southern 60 feet and the more northern 20 feet below he level. Both are so invaded by water that it is impracticable to carry them deeper ntil drained by level No. 4, now under-running them.

Both winzes carry a workable breadth of ore, but the more northern has entirely ut through its seam and gone into solid country-rock.

The level itself runs northwesterly into barren lime-rock, developing plainly the nar-w limits of the ore-chimney.

The main shaft from level No. 3 to level No. 4 keeps its regular inclination along hat seems to be the foot-wall projected downward.

At two points indicated on Mr. Attwood's cross-section small pockets of ore were und wholly surrounded by limestone, but doubtless connected with the central fis-ire by some minute unnoticeable seam. Level No. 4, following approximately the urse of the lode, runs 85 feet through barren limestone, generally quite solid though ore or less cut by fissure-planes, one of which, near the 85-foot point, carried a small reak of galena, which quickly gave out when followed. At 90 feet from the shaft e drift enters a mass of poor vein-stuff, red with iron oxide, and only charged with or 2 per cent. of lead and about ten ounces of silver to the ton. From its position

under the winzes from No. 3, as well as from its chemical nature, this must be the downward pipe into which the whole great body converges.

The main shaft has been sunk about 20 feet below level No. 4, and although a promising pocket of ore was encountered, it gave out almost immediately, and the bottom, as far as I could see, was solid limestone. The dip of the vein-wall is here interrupted by a very powerful plain of faulting, whose smooth and striated face stands nearly vertical, striking northwest in such a course as probably to identify it with a similar though less powerfully developed plain, which enters level No. 4 about 75 feet from the shaft, crosses it diagonally, and probably continues under the chimney of vein-stuff.

How far this plane, representing as it does a fault of unknown extent, may modify the mine's future, it is impossible to say. I am not inclined, however, to regard it as dangerous.

To recapitulate: there are, so far as I am able to judge, absolutely no indications in the country-rock bounding the ore-chamber longitudinally which invite immediate exploration *on the course of the lode* with any fair promise of success. To the deep there is but the one chimney of poor vein-stuff to build hope; but poor as it seems, it affords the most favorable leading now in sight, and should undoubtedly be followed.

I should add that the outside geology of the district clearly warrants the belief that the Emma is to be classed with those ore-deposits owing their origin to deep-seated geological cause, and not in anywise to superficial ones. It lies in the Silurian limestones, which have been upheaved, warped, and metamorphosed in connection with an outburst of clearly eruptive granite; and the net-work of mineral veins and plutonic dikes in the neighborhood afford ample proof of deep-acting causes. Summing up, however, all the indications which favor the belief of a recurrence of "bonanzas" in depth, and balancing them against the naked facts within the mine, gloomy as they for the most part are, I am forced to the conclusion that you have no sure hope for the future. It ought not, however, to be forgotten that such a deposit is likely to make into "bonanzas" in depth, which search, and only search, may develop. It is due the mine that exploration should be carried on with vigor and system, first to the deep, and, falling there, by longitudinal drifts.

Reserves.—I cannot estimate over 280 tons of ore actually in reserve, and of this not more than 250 are in the new slopes. Of old bunches of rich galena in the dangerous caved ground now being carefully searched for and extracted by Mr. Attwood, it is impossible to estimate the amount. I should consider the mine very lucky to yield sixty or a hundred tons.

A maximum of 300 or 350 tons is all that is left of the famous Emma reserves.

Why the management of a fine and paying mine should "gut" the reserves with such hurry and such insufficient engineering precautions against caving, and the sudden closure of the very entrance of the mine itself; why, when funds were ample, and the fatal indications of a downward closure stared them in the face from level to level, the management failed to push explorations to the deep, and prevent such a sudden and fatal collapse of the mine's value, are questions which it were highest charity to solve on the theory of stupidity.

Mr. Attwood has with great care and success secured the main shaft by an elaborate and solid arrangement of timbers. He has also opened and thoroughly cribbed the so-called air-shaft, together with such needed connections as will secure ventilation and safety of exit, thus laying the permanent foundation for safe and well-ordered exploration. The hoist, the manways, and all the present arrangements for carrying on the mine he has gotten into excellent working order. The second-class dump has also been successfully attacked by Mr. Attwood, who in general has met the varied and peculiar difficulties of the situation with skill and patience.

In conclusion, I can only reiterate that the great Emma "bonanza," the object of such wide celebrity, the basis of such extravagant promises, is with insignificant exceptions worked out, and the future of your company is hung on a mere geological chance which may be eternally against you, and if in your favor may only be secured by the wise expenditure of much time and money.

Yours, respectfully,

CLARENCE KING.

EXHIBIT D.

[From Raymond's report to the Secretary of the Treasury, February 19, 1875, on Mines and Mining.]

UTAH.

The production of gold and silver during 1874 has been more than twice that of the previous year. This result is due to the development in Bingham of extraordinarily large bodies of low-grade lead-ores, which can be mined very cheaply, and to the energetic prosecution of mining in innumerable small mines, carrying ores of good

ıde, and belonging to individual miners or partnerships. Of the large companies, ı mines of which carry high-grade ores, only very few, like the Flagstaff, Prince of ıles, and Winnamuck, have furnished large amounts of ore, while some others, like Emma, Davenport, Miller, and many in the more southern districts, have taken ; little or none.

Little and Big Cottonwood districts.—The production of these districts has been less ın in previous years, principally on account of the exhaustion of the large ore-body the Emma and of the stoppage of several other heretofore producing mines. I am lebted for notes on the district to Mr. J. H. Morton, a resident of Alta City, who ı had unusual facilities for acquainting himself with the facts set forth.

The topographical features of the Little Cottonwood have been so often described ıt little need be said on that subject. The cañon has a length of about twelve miles ım the head above Grizzly Flat to the mouth. High, barren mountains wall it in on her side from Granite to Central City. Where the mountains form a semicircle near head the town of Alta is located. Here the mountains are very precipitous, and ım every side in winter converge the avalanches that have been such a terror to the ople. The winter of 1874–'75 is one that will long be remembered, as the snow-des have been more frequent and more destructive than ever before, penetrating en into the center of the town. They have left a feeling of insecurity of life that ll probably be a serious drawback to the growth of the place.

The necessity of some means of cheap and constant communication with Salt Lake alley for the transportation of ores and mining supplies is yearly becoming more essing, and as the natural supply of timber becomes exhausted it must be met in one rm or another. The Wahsatch and Jordan Valley Railroad, commenced two years ago, ıs been built to a short distance above Granite, where, either owing to a lack of funds or disposition of the company to push the work farther, it is allowed to end. The most ıportant advantage of the road is thus lost, as the old expensive plan of sacking the e has still to be adhered to. This of itself is, according to Mr. Morton, an expense ıfficient to almost finish the road in two years. He says the cost of sacking the ore , on an average, at a low estimate, about $3 per ton, and adds that this would sum p for the mines in the course of a year as follows:

lagstaff, 14,000 tons, at $3	$42,000
outh Star and Titus, 3,000 tons, at $3	9,000
oledo, 2,500 tons, at $3	7,500
allejo, 5,000 tons, at $3	15,000
ighland Chief, 2,500 tons, at $3	7,500
rince of Wales, 2,000 tons, at $3	6,000
ll other mines, 10,000 tons, at $3	30,000
Total expense for sacks and sacking ore	103,500

The cost of building, shedding, and equipping narrow-gauge railroad, Mr. Morton stimates as follows: Three miles, at $15,000 per mile, $45,000; and five miles, at 50,000 per mile, $250,000; total cost to Grizzly Flat, $295,000. This would place the ailroad within easy reach of every mine in the district. The ores could then be mostly ıipped in bulk, and ores that are now of too low grade to pay for handling could be ıade profitable. The price now paid for shipping ore from Alta to the end of the rail-ıad is about $5 per ton; the railroad could take it at, say, $2. This would effect a ıving of $3 on sacks and $3 on freight, which would enable the miners to utilize much the low-grade ore of the district.

This, however, would not be the only saving which a railroad would effect. Timbers ow cost from 18 to 30 cents per linear foot; with railroad-communication those prices ould be cut down to about 10 cents per linear foot. Lumber of all kinds costs $45 r thousand; with a railroad it would not cost over $27 to $30. All this, coupled th the disadvantages of snow-blockades, points to the necessity of a well-constructed d completely-shedded railroad from Alta to Sandy, and indicates that it would be profitable investment, if the mines continued to be actively worked.

The rocks at the base of the Wahsatch range appear to be uniform wherever they ear, and consist chiefly of granite, often quite massive, and again appearing to ssess very regular bedded lines. At the mouth of the cañon the granites are flanked enormous masses of conglomerate, which extend west, and finally dip beneath the ift of the valley. Upon the eastern slope of the granite mass the texture varies from ne-grained gneiss to an extremely coarse porphyritic granite. These rocks are erlain by deep beds of hornblendic schists and by quartzites, traversed from east to st by veins of ferruginous quartz and dikes of porphyry. This is again overlain by ed of crystalline limestone, and above this appears a thin bed of slate, followed by eavy bed of quartzite. This is followed by a third small bed of slate, above which, d dipping to the northeast, is the great bed of ore-bearing limestone known on the rth side of the cañon as Emma Mountain and upon the south as Emerald Hill. In is formation, though not exclusively, are found the ores of the district, and though

much to the contrary has been said and written in regard to the nature of these deposits, I still regard them as irregular chimneys, and newer developments support this view. The irregularity of the ore-bodies, which often appear to give out in every direction, and often as suddenly open out again, show that a series of pre-existing caves has been afterward filled with the ore-matter. This is particularly conspicuous in the mines of Emma Hill along the lower ore-zone. Those of the upper group present similar features, and, however vein-like they appear near the surface, they uniformly develop this character as depth is gained upon them.

In the quartzite formation the Toledo and Emily Mines present the characteristics of true veins, and the Crown Prince and Frederick those of contact-veins, having quartzite hanging and limestone foot-walls.

The Lexington, Sedon, Skipper, and City Rocks mines appear to be veins, occupying a portion of the fissures along porphyry-dikes. In the three first named the ores are disseminated through a soft, decomposed porphyritic gangue, and in the City Rock the ore occurs in a similar manner, but more generally in a clay, evidently formed by the decomposition of the feldspar. Though the masses of unchanged porphyry are less frequent and less extensive in the City Rock mine than in the others, still there is every evidence that it is a dike-fissure, from which part of the intrusive rock has been removed by decomposition and the action of mineral solutions, while the ores have been deposited in its stead. The connection visible between the ore-formations of the district and the intrusive dikes and the manner in which the ores occur, associated with the porphyry, suggest the idea that they are secondary effects of the porphyritic eruption, and were deposited shortly after the eruption ceased. That the mode of their formation was by infiltration from below does not, I think, admit of a doubt. Mr. Morton, who also holds this view, infers that the irregular deposits found in the limestone formations may yet be traced down to true veins, which is not impossible, though I cannot venture to predict upon the strength of present indications.

In the granite mountain, known as Virginia Mountain, the ore-deposits exhibit the feature of true veins. This vein of granite extends from the upper part of Alta City, south and east, covering an area of six by two miles, and as far as it traverses the Little Cottonwood district it is cut at short intervals by veins carrying ore so different from that found in the limestone, that a piece of it can be at once recognized as coming from this locality. Following the strike of these veins into the limestone formations of Emerald Hill, we find their counterparts existing in two cases, at least, just where the veins should outcrop, were they continuous fissures, passing from the granite into the limestone. However, they do not appear to be true veins outside of the granite formation; but in the limestone appear as stock-works or chimneys, the silica being mostly present in pulverulent form. In the ores found in the granite the quartz is solid. If this should be received as an indication of the condition of all the ore-deposits of the district, it might be predicted that, as depth is gained, the character of the deposits will gradually change from that of irregular deposits and chimneys to a more vein-like structure near and in the granite, which is believed to underlie the entire district. Such, so far as I am acquainted with the facts, is the whole argument which can fairly be urged at present.

The Crown Prince and Frederick Mines have lain idle during 1874. The Frederick is developed to the depth of 200 feet, and produced in 1872 about 700 tons of ore. They are both supposed to be on the same vein, which is a contact-vein, between quartzite and limestone, the limestone forming the foot-wall. It is said that the owners will soon commence operations again.

The Enterprise, below the Crown Prince, was worked during the summer of 1874. The ore is of good grade, but the shipments have, so far, been light.

The Toledo Mine is remarkable as being the only mine in quartzite in the district that has been worked to any extent. The works consist of an inclined shaft, 230 feet in depth, and numerous drifts and winzes along the vein. It appears to be a true vein, and is traced on the surface for a distance of 800 feet. The ore is chiefly a mixed oxide of iron and quartz, carrying about 100 ounces of silver and a very small percentage of lead. It varies from a hard brown oxide of iron to a pulverulent siliceous substance, carrying from 100 to 300 ounces of silver to the ton. The average daily product is about 10 tons. There are several buildings at the mine, and a tramway has been built for delivering the ore at the bottom of the hill.

The Emily belongs to the Emily Silver Mining Company of Pittsburgh, Pa. The lode shows some characteristics of a true vein. The works consist of two tunnels run on the vein, and connected by a winze. The ore contains, besides silver and lead, copper, antimony, iron-pyrites, and zinc-blende. The shipments show an average value of about 90 ounces of silver to the ton and 38 per cent. of lead. Two houses have been built upon the mine, both of which have been destroyed by the snow.

The Flagstaff Mine is probably the most extensive deposit of rich ore yet found in the Territory. The works have now attained a considerable depth, and are pushed along the strike of the vein for a great distance. The ore-body varies from a couple of inches to 18 feet in width, showing an average width through the lower works

about 7 feet. The ore is chiefly a carbonate of lead, with considerable galena d oxide of iron. The company is preparing to erect hoisting-works and to sink a w shaft on the mine, which, when completed, will be a decided improvement over e present under-ground whim. The future of this mine looks bright, indeed, as all e lower levels are said to be in ore and the mine in splendid condition. The official ıtement in regard to ore produced from the mine and argentiferous lead obtained at e smelting-works (Last Chance) is as follows: Ore produced 14,767 tons; argentifer- s lead, 3,521 tons; average value of lead, $207.25 per ton.

The South Star and Titus Mines are situated upon the same line of deposits as the agstaff. The character of the ore is similar, though of lower grade, owing to the esence of an excess of iron-ore. The deposit is very irregular, and is faulted at a pth of about 30 feet from the surface, the foot-wall evidently having been raised out 45 feet. The fault being caused by a lifting-force from below, has left the en- e upper portion of the vein at about the height mentioned above the lower part. ıe mine appears to be extensive and to improve with depth, but has been worked in unskillful manner. Two shafts have been sunk from the surface. The first having en sunk as an incline upon the vein, the second was commenced likewise upon the in, which it followed to the line of the fault, and then continued down in the hang- g-wall to within about 10 feet of the bottom of the old discovery-shaft. A tunnel as run to cut the vein at a depth of about 200 feet from the surface, but was stopped thin about 30 feet of the ore, and an incline was sunk about 30 feet from the face of e work to a depth of 135 feet. Its dip was out of the hill and away from the mine. hat was the object of sinking this incline it is difficult to say. The ore consists iefly of carbonate of lead, galena, and plumbic ocher. There are also large quanti- s of wulfenite (molybdate of lead) disseminated through the ocherous ores, with casional specimens of sulphate of lead. The average value of the ore may be placed about $25 in silver and 30 per cent. of lead. The developments consist of the two afts before mentioned, a tunnel 390 feet long, and one level run 79 feet along the ein. The rest of the work, being in the ore, is irregular, and has been done without ıy regard to the future development of the mine. A force is now working upon the ınnel, and the company intends to put the works in better shape during the coming ımmer.

The Vallejo Mine is the next along the ore-belt eastward. It was originally a tun- el-location, and obtained by purchase 390 feet of the South Star and Titus ground. he condition of the deposit and character of the ore are both similar to the South ar Mine, though the ore shipped is of somewhat better grade, probably from more ıreful assorting. The company has made extensive improvements, and everything ıpears to be in a good condition. There is one of Halliday's wire-rope tramways, ıpable of delivering 50 tons per day, at this mine. The average yield of this mine about 10 tons per day with the present force of eight men, but there is no reason to oubt that, with a more vigorous development, the quantity could be doubled.

The Caledonia lies next toward the east on the same ore-zone. This mine is developed the depth of 400 feet, the hoisting being done by a whim. The deposit is similar to oth the last-described mines, but is rather more irregular. The shipments have been ntinued steadily up to the time of the heavy snow-storms, when the mine was shut own for the winter.

The Monitor and Magnet, after two years of inactivity, have again resumed work, ith very flattering prospects. The ore is of high grade, averaging 90 ounces of silver r ton and 40 per cent. of lead. The mine is the property of the Monitor and Magnet ompany, of Salt Lake City.

The North Star or Bruner Mine has lately changed hands, and is now being worked rtly on shares. The ore is chiefly plumbic ocher and hydrated oxide of iron, and ıtains from 10 to 60 ounces of silver per ton and about 30 per cent. of lead. The ne is developed to a depth of 390 feet by an inclined shaft, and over 4,000 feet of fts and winzes. It is also connected with the Illinois tunnel by a side drift about feet in length. The ore-deposit is evidently badly faulted, as in the South Star and llejo Mines. In this connection fuller notes will be found in the description of the ıma Mine.

The Cincinnati is located about 400 feet east of the Bruner, and has been lately rted again. The developments consist of an incline and about 150 feet of drifts. e ore is chiefly galena, and carries about 70 ounces of silver to the ton and about 45 cent. of lead.

The Highland Chief is situated about 1,200 feet farther up the mountain than the llejo Mine, and is the first mine on the upper ore-belt. It is developed to a depth of feet by an inclined shaft. The vein is a contact one between the white and blue estone, the ore expanding and becoming richer as depth is gained, though this is y the case in the portions of the deposit situated in the blue limestone. Where it is rounded by white limestone the ores are poor, and the vein is comparatively small. e average daily yield is about eight tons, of an assay-value of 80 ounces silver and per cent. of lead. The mine employs about 20 men.

The City Rocks, also owned by English capitalists, has been worked durin greater part of the year. The product was about 700 tons, assaying from 30 oun 300 ounces of silver per ton, and about 10 per cent. of lead.

The Grizzly Mine has an immense body of ore, but for some cause has lain idl ing the entire year. It is owned by Warren Hussey and others.

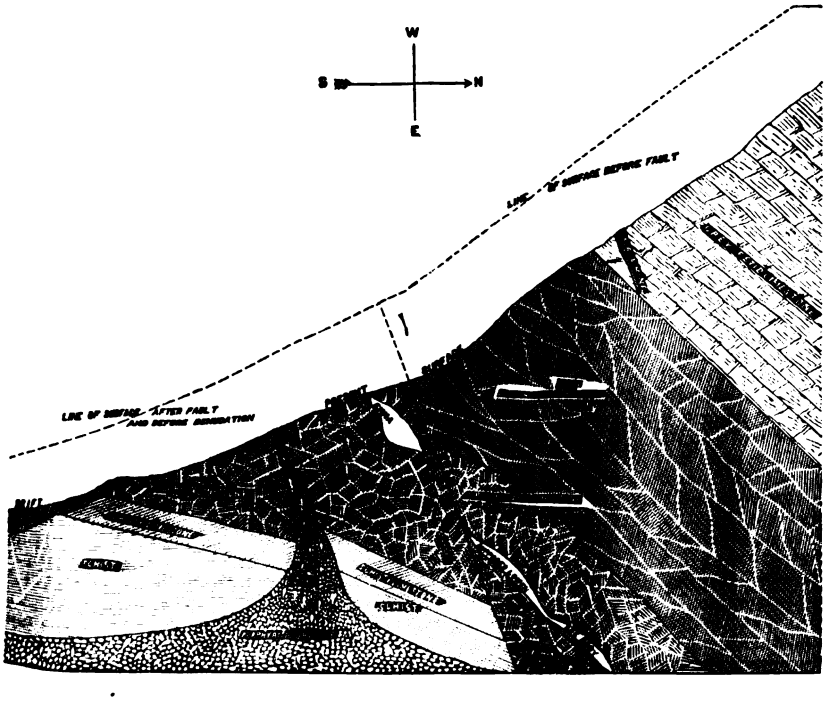
The Prince of Wales, though not properly one of the Little Cottonwood mi still so close to the borders of the district as to be classed as belonging to the ore-belt that the Winsor, Utah, and Davenport Mines are found in. It has pro during the year 2,000 tons of ore, assaying 135 ounces of silver to the ton and cent. lead. It is developed to a depth of about 600 feet. Walker Bros., of Salt City, are the owners.

The Emma Mine has been worked during the greater part of the year. The p has been about 6,000 tons of second-class ore, which was concentrated, and abo tons of first-class ore. Work is now entirely suspended, and several attachmen placed upon the mine.

The developments consist of several drifts, run along the deposit as far as ore be found, one shaft, and the incline known as the Attwood winze. The shaft depth of about 280 feet from the tunnel-floor, and is in hard white limestone ne bottom. The fault-line is very distinct, and the groovings on the walls of the indicate an upward throw of what is now the upper portion of the vein, togethe the country-rock, in which it is inclosed. By this it is evident that the vein wa speak, cut in two, the upper portion being carried still higher and the lowe being only slightly, if at all, displaced. This would naturally leave stringers scattered along the line of break and mix the vein-matter and broken fragme limestone together in a brecciated mass, such as we now find. This feature also in the South Star and Titus Mines, which are also faulted, probably by the sam heaval that has faulted the Emma. The South Star Mine having passed the which was here very slight, furnishes us with an example of the probable con of the Emma Mine. It is to be regretted that the mine has not been in the han energetic men, who would have pierced the fault at any cost while the ore lasted The company has, however, but 150 feet of actual sinking to show for three years' upon a mine which, when it first came into its possession, promised to be one of the ing silver-mines of the world. That the ore-deposit will yet be found below the ent workings, I have reason to believe, and that the ores are as valuable bel above, we may infer from the richness of the stringers and branches found nea line of the fault. This fault is plainly traceable through the North Star Min Illinois tunnel.*

The Wellington Mine, situated about a mile south of the town of Alta, has pro during the year about 70 tons of ore, assaying about 65 ounces of silver and 5 cent. lead. The mine has been idle with the exception of a few weeks during the

of an individual, who, after a long struggle, becomes suddenly rich, and again, after a short period of flashy display and recklessness, becomes suddenly poor again, to the astonishment of himself and those around him. This has been the experience of the Emma Company, starting out, in 1871, with a mine whose deposit was then described in the reports as a lake of mineral, whose value was considered as scarcely overestimated in the price paid for it, ($5,000,000;) a mine so vast that one of the directors declared that 100 or even 1,000 tons extracted scarcely made an impression upon it. It seems strange that this magnificent property should have been exhausted in the space of two years, and that now the only prospect seems to be a winding up of the concern and an abandonment of the property they paid such an enormous price to obtain. That the estimates placed upon this property were too high in the first place, is evident; for, although it is said that about $2,000,000 have been already produced, still this amount could not be said to have been in sight when the mine was purchased, and, as any mining-engineer knows, this amount should have been in sight to justify the purchase of the mine at the price paid for it, as it is always a correct rule in limestone formations to base the value of the mine upon the ore, and at the utmost to allow not more than two and one-half times the value of the ore in sight as the value of the mine. If this $2,000,000 had been in sight in the mine at the time of its purchase, and all questions as to title definitely settled, then the purchase-money was still excessive, as the developments were insufficiently forwarded to tell the actual condition of the mine on either its dip or strike. To say that it was part of the same vein that comprised the Flagstaff, South Star, Vallejo, Caledonia, and North Star Mines, was to start from a hypothesis not yet proved to be more than a strong conjecture, and we have seen how often the strongest conjectures in mining have failed. It only illustrates the great risk of expending large sums of money where the prospect of remuneration is even in part based upon hypothetical conclusions.



CONJECTURAL GEOLOGICAL SECTION, INCLUDING THE EMMA MINE.

"The present condition of the mine may be taken from the reports of different persons made to the company.

"Mr. George Atwood, the general manager, reports: 'The property is in a most unfortunate condition, all accessible pay-ore having been extracted.'

"Mr. E. S. Blackwell reports: 'The future of the mine depends entirely upon virgin ground.'

"Mr. Clarence King reports: 'The great Emma "bonanza," the object of such wide

celebrity, the basis of such extravagant promises, is, with insignificant exceptions, worked out.

"Mr. A. Murray, F. R. S., reports: 'In my opinion, the famous Emma Mine is exhausted, and nothing more is to be expected from it but the leavings of the old workings, the scrapings of the walls, the ore which may have been entombed by the cave, the old fillings, and the second-class ore on the dump.'

"These were the reports made in 1873, and if the condition could be even more discouraging, it certainly was so at the time of my visit in December, 1874. The engine-shaft had been then sunk to a depth of about 82 feet below where the last trace of ore had been found, and was in hard crystalline limestone; from that point down, in the old workings, the creeping of the ground was slowly crushing the strongest timbers; the walls, wherever accessible, were picked clean, and all the drifts ended in solid limestone, without a trace of ore in sight. In the old workings a mass of broken timbers, limestone, and mine-fillings, principally the refuse breccia that had been once rejected in sorting the ore, was all that remained of the famous lake of mineral upon which the small matter of extracting a thousand tons or so was to make no impression

"But is the Emma Mine really exhausted? So far as the works have anything to show, it is; but unless geological evidences are utterly at fault, it is not; and here a few words in regard to the ore-formations of the district and their mode of occurrence may serve to explain a feature that is not generally understood. About a year ago I published a geological map of the district, and explained it by a set of sections and two articles published in the Utah Mining Gazette. In the first article I showed that the Granite Mountain, to the east of the Emma, was undoubtedly an intrusive one, and subsequent observations have not only confirmed the opinion I then expressed, but have also fully satisfied me of the correctness of an opinion I then held, viz, that the numerous dikes of porphyry which traverse the sedimentary rocks of the district are all connected with the mass of this mountain, and are, in fact, spurs of the granite mass itself. These, in two instances, are first seen at the base of the mountain, putting out into the sedimentary rocks as apparently true granites, and gradually changing in appearance until the true porphyritic structure and appearance entirely prevail. They continue, and finally give out in the limestone or quartzites, and in no instance have I been able to trace any connection between the porphyries and the Western Granite Mountains. Another phase is, that the ore-deposits all seem to be of more recent origin than the porphyry dikes, and to be in almost all cases, where the deposits are important, in more or less intimate connection with, or in close proximity to, the dikes, in several marked instances occupying the fissures of the dikes from which a part of the porphyry has been removed by pseudo-morphic action. It would seem as if the formation of the ore-deposits was a secondary effect of the porphyritic eruption. The strike of the veins is also conformable to that of the dikes, except in one or two unimportant instances.

"It will be seen, by reference to the geological section accompanying this paper, that the Emma Mine is also connected with a dike of porphyry, and, as far as the dike can be traced upon the surface, or in the workings of the adjacent tunnels, its direction of strike is in conformity with that of the Emma ore-vein. That it has been instrumental in the formation of the vein is a highly probable conjecture, as it has been traced to near the mouth of the Vallejo tunnel, and I have also found in the ores of the mine slight traces of matter similar to that of which the dike is composed. Passing to the north of the ore-deposit is a deeply-marked line of fault. This fault was, I believe, first found in the main shaft of the mine and afterward in the Illinois tunnel, where it is exposed by a level run by the North Star Company for a distance of about 300 feet, and also by a shaft sunk from the tunnel-level to a depth of about 90 feet. The grooving of the walls of the fault and the condition of the faulted rocks go to show that the throw was from above, or rather a sinking of what might be called the hanging-wall of the break. This, as will be observed, crosses the line of dip of the vein, and has, without doubt, carried that portion of the vein contained in the sunken rocks to a considerable depth below its original position, leaving a dirty trail of ore for some distance below the upper portion of the vein, and also crushing into the lower part of the ore-chamber a sufficient quantity of limestone to fill that portion and give it the appearance of a limestone floor. So compact and hard has this become, that only a close examination can detect the difference between it and the crystalline lime of the wall-rocks. This compact nature has been caused probably by the heat generated by the friction of the walls or surfaces of the fault, and the same cause has produced another effect upon the ores contained in the lower part of the mine—that is, changing the ores from sulphides into oxides. To no other cause can we attribute the anomalous condition of the ores below the water-level of the mine, for long and almost universal experience has shown that in all ordinary cases the change of ore at the water-level is from oxides to sulphides; but here is a case so unusual that, so far as I know, no explanation has ever been offered before, and in examining the break, as exposed in the Illinois tunnel, we find the friction-surfaces of the rocks to have been changed into a compact marble, on each side of the break, of the most beautiful description, owing to crystallizing together

fragments of the different-colored rocks. This feature does not appear, to any ex-
it at least, in the mine, owing to the more homogeneous condition of the rocks lying
ir the granites, which were probably metamorphosed long before the formation of
ore-deposit.

'It will be observed that in the geological section I have carried out a continuation
the vein below the break, marked "supposed lower ore-body." While this may be con-
ered pure theory, there are good reasons for supposing the ore to continue below the
lt. It happened that at the time of my visit to the Emma Mine I was engaged at
South Star and Titus Mines, and found so many points of resemblance between
break in the two mines that I at once set to work to trace out, if possible, the con-
ction of the fault in the South Star with that in the Emma. I have succeeded thus
in tracing it from the Flagstaff, on the west, to the Vallejo, and from the Emma,
the east to the Caledonia, through the North Star, Monitor, and Magnet Mines.
is also said to exist in the Caledonia, though I have not seen it myself. If this
ould prove to be correct, then we have a distinct chain of evidence through all the
nes situated upon the Emma vein of the existence of this remarkable displacement,
ght in the Flagstaff, being a throw of less than 20 feet, increasing in the South Star
about 45 feet, and of unknown depth in all the mines to the east of the Vallejo. It
been proved in the South Star, and the ore found to continue uninterruptedly
wnward, thus proving that the rocks have in former times contained a continuous
in of ore, which was subsequently broken and the lower portion carried downward,
shown in the geological section. That the entire chain of mines belong to the vein
pears to me very probable, as in all cases, even in the western end of the Emma,
re is clear evidence of a difference between the foot and hanging walls, forming
at may be termed a strata-vein, or a vein lying between the beds of limestone. The
nging-wall is undoubtedly of Devonian age, though highly metamorphosed on the
stern end; while the foot-wall may probably be termed Silurian, though I am
clined to refer it also to the Devonian era.

"THEORETICAL CONCLUSIONS.

'We have shown that the connection of the line of fault is continued throughout the
ire length of the vein, as far as known; that the fault has been passed in the South
ir Mine, and, so far as developed, the ore continues downward; that the vein is
bably a contact one between different beds of limestone, and we might even extend
se points of resemblance by showing a similarity in the ores of the different mines;
the evidence given may be supposed to convey all that is required to give strong
unds for believing that the Emma Mine is not exhausted, and that there is good
son for a further extension of explorations downward."

WASHINGTON, D. C., *April* 12, 1876.

Examination of T. W. PARK continued.

The WITNESS. I am advised (and I think correctly advised) that I
de an error in regard to the extent of the purchase of stock made by
order after I left England. I said that there had been 2,035 shares
rchased in July, while I was out in Utah with Mr. Stanley, and then
00 more when I was out in October with Mr. Anderson, and then
50. The facts are that the purchase in July by my order was 2,035
ares. Then I ordered 2,000 to be bought in October, but there were
y 1,150 shares purchased under that order, as the stock had advanced.
that there were only two purchases instead of three. The order in
tober was only filled to the extent of 1,150 shares.

By Mr. HEWITT:

Q. Did your acquaintance with General Schenck begin at the time
were negotiating with Coates & Hankey?—A. Yes.

Q. In your negotiation with Albert Grant, in advance of making the
tract with him, did you mention General Schenck's name?—A. I
y have mentioned it; I know I did mention the agreement, because
ad to mention the fact that if stock were not allotted to him it would
e to be taken out of those 25,000 shares that were tied up, and I

had a verbal understanding with Grant that I must take them out of those shares, because the contract was that those shares were to be tied up, as we termed it.

Q. Did you ask Albert Grant what, in his judgment, would be the effect of General Schenck's being connected with the enterprise?—A. No further than that it would add strength to the company; and Grant was willing to substitute him in place of Mr. Puleston.

Q. Did you discuss with Grant as one of the distinct matters the effect of General Schenck's being a director or becoming a stockholder or director?—A. Nothing more than I have stated. I do not think I had three minutes' talk with him on the subject. I went into Grant's office after speaking to General Schenck and asked him whether General Schenck would be acceptable as a member of the board in place of Puleston, and he said he would be and that he thought he would add strength to the board and give satisfaction to the other members of the board.

Q. Did he say to you at any time, or suggest to you, any doubt as to the feasibility of floating this company unless General Schenck took an interest in it?—A. No, sir. When I made the contract with Grant to float it, General Schenck was not talked of as a director. In that respect Mr. Grant is wrong in his statement.

Q. On page 4 of Mr. Grant's statement he says:

In addition to the evidences of *bona fides* before referred to, Mr. Park informed me he had reason to hope and believe that the American minister, General Schenck, would, if requested, join the board of directors; adding that he knew something of the property, and was disposed to invest some considerable amount in its shares, and Mr. Park asked me whether this fact would be favorably looked upon. I told him that it would be very satisfactory to every one about to be connected with the company, and especially to myself, as, I added, I felt certain it would inspire confidence in the undertaking, as from the well-known honorable character of the American minister, it was not to be supposed for a moment that he would have lent the weight of his name, given in addition to the influence of his official position, to an undertaking in the good faith of which he did not implicitly believe.

Is that the fact?—A. That is not the fact. General Schenck had not been spoken to in regard to his being made a director at the time I made my contract with Grant. Mr. Puleston was the man who was talked of.

Q. Did Albert Grant ask you, in that negotiation, why you wanted to sell this mine which was yielding so great a return as you showed him it was?—A. Yes; I think he did in the first interview.

Q. What reason did you give for selling it?—A. The reason that we had agreed to sell it and make a partition of the proceeds. I stated to him further that each of the present owners owned more interest in it than any one person would want to take in any risk.

Q. Did you tell him that the owners were illiterate men, farmers, &c., who wished to retire?—A. No, sir; I told him that some of them were prospectors and that they wanted to dispose of their interest.

Q. Did you state that Mr. Stewart was largely interested in the mine?—A. I told him just exactly how he was interested as the attorney of Mr. Lyon.

Q. Did not you tell him that he was not desirous of selling his interest?—A. I told him afterward—after Mr. Stewart had acquired an interest.

Q. Did you tell him during the time of the negotiation?—A. No, sir.

Q. Mr. Grant's statement is this: "Mr. Park also stated that he and Mr. Stewart were largely interested in the mine, but were not desirous then of selling all their interest in it, but they were willing to retain one-half of the shares."—A. Mr. Stewart was representing Mr. Lyon in

e first instance, and his exact position was understood by Mr. Grant. fter Mr. Stewart acquired the title to shares by purchase from Lyon, I en told Grant that Stewart was not desirous of selling off his shares. at it was not until after the formation of the company that I told him

Q. Did you show Albert Grant Mr. Blake's letter?—A. Yes; I gave to him.

Q. One letter or two letters?—A. One letter.

Q. Had you possession of two letters?—A. Only one.

Q. Have you ever seen any other letter on this subject from Professor lake?—A. No, sir.

Q. Have you any knowledge of the existence of such a letter?—A. o, sir; I never heard of it until I heard it related just before Mr. Chitnden went over to England to take testimony in that suit. The first I ver saw of what purported to be a copy of the letter was when Mr. hittenden exhibited it to me after his return from London. That was 1875.

Q. Then you did not know from General Baxter or any one else that Ir. Blake did send him a second letter?—A. No, sir.

Mr. Hewitt here read and put in evidence Mr. Blake's letter, as llows:

SALT LAKE CITY, U. T., *July* 26, 1871.

. H. BAXTER, E-q.,
45 *Wall street, New York:*

SIR: At the request of Mr. T. W. Park, I last week visited the Emma Mine, and w write you the result of my examination.

Entering the side of the mountain by a tunnel, cut through limestone, in a northsterly direction for about 375 feet, I reached a spacious chamber, varying from 20 50 feet in width, about 70 feet in length, and 75 feet in height. This chamber, with ne excavations below the level of the tunnel-floor, constitute the mine from which round numbers eleven thousand five hundred tons (11,500) of ore have been ten, assaying from 100 to 216 ounces of silver per ton of 2,000 pounds, and from 30 to per cent. of lead, averaging, as shown by the books, about 160 ounces of silver and to 50 per cent. of lead. The total value of this mass of ore, at the cash price for a ge portion of it, in Liverpool, £36 or $175, in round numbers is over two millions of llars, ($2,000,000.) All this was taken out within a little more than one year, and thout any large outlay in preparation, which shows at a glance the extraordinary ture and value of this mine. The ore is in general soft and earthy, and easily excava- l with the pick and shovel alone. It is the result of the decomposition of galena and ner sulphides bearing silver. It consists chiefly of the carbonate and oxide of lead, th some galena, intermingled with oxide of iron. It may be said to be without ngue, being in this respect very peculiar, for in most veins ore is intermingled to such extent with quartz and other vein-stone that it must be separated by hand-sorting, other mechanical means, before it can be worked or shipped. In this mine the ore shoveled up and put into sacks directly, without delay or expense for any sorting prepartion. The wonderful extent of this mass of ore, the rapidity and ease with ich it is extracted, and its high value, make this mine unique in the history of min- g in the United States, while it compares with the most brilliant and magnificent velopments in the silver regions of Mexico and South America.

The ore is admirable for smelting, working with great ease, and giving a soft, rich ad.

In regard to the extent of the ore, the size and persistency of the vein, &c., it ould be understood that, up to this time, the work has been confined to the extraction ore, and that but little thought or attention has been given to exploration. Even e full width of the mass, in several places, is as yet unknown, for ore has been left anding on the sides, on both the hanging and foot walls, and in such places no defite walls have been seen. Yet the dimensions already given may be assumed as the nits of the mass above the tunnel-level, except at the ends; in the direction of its ngth. Below that level a winze has been sunk 53 feet, and another, or "sump-hole," feet lower, giving, in all, about 70 feet in depth below the tunnel-floor, and all of e way in ore.

Considerable ore has already been stoped out in this lower part of the mine; but a ge amount, the extent of which is not yet known, is still standing waiting excava- n, and is the source of a great part of the daily shipments, ranging from 60 to 100

adopted in the mines upon the Comstock lode, Nevada.

The space above the tunnel is divided into ten floors. Upon the upper floors up as the mining has progressed, there are very large masses of galena in sigh the side of the hanging-wall. Many tons can be thrown down at once, and it only ore and only place in the mine where powder can be used to advantage ore presents a splendid appearance, and is the largest body of galena I have ev in a mine. It assays about 90 ounces of silver to the ton. It is probable that t extends upward to within a few feet of the surface, a distance of feet.

Very respectfully, your obedient servant,

WM. P. BL.

Q. When did you leave for Europe?—A. On the 2d of Septeml

Q. How long does the mail take from Salt Lake to New York Five days.

Q. The first letter of Professor Blake is dated July 25?—A. that is the day that I left Salt Lake. I received that letter from G Baxter. He did not give me a second letter from Blake, and nev me of it, and I never heard of it till last year.

Q. Was no complaint made to you by Professor Blake in relat the fact that he had not been properly paid for his services?— sir.

Q. Did not he tell you that he had sent a second letter?—A. N complained that I had used a portion of his first letter in the prosp and that he had not understood that it was to be publicly used i port. I told him that in that thing he was right, as I had only him to write a letter for General Baxter's personal information said that if he had made an extended report he should have requ very much larger compensation. This was after my return from land. Blake came in and complained that I had agreed to let h out to Europe with me to sell the mine. I said no, that I had no that agreement with him that; when he spoke to me in Salt Lake going to Europe, I told him that I could not offer the mine anywhe sale until I had succeeded in getting a perfect title by obtaining ent, and that that might require years: that if I ever did obtain

ould want no receipt for it; that I would give him that thousand dollars because that use was made of the letter.

Q. Do you mean to say that in that conversation with him he did not efer to the fact of having sent another letter the very next day to ieneral Baxter?—A. He did not. I could not have forgotten a statenent of that kind, because I should have been surprised at it.

Q. If General Baxter received a letter from him the next day, or t any time before you left for Europe, would you have considered it ood faith on the part of General Baxter to have withheld that letter rom you?—A. No, sir; I should have considered it bad faith. I believe hat General Baxter exhibited to me every letter, document, and paper eceived by him from anybody in reference to the Emma Mine.

Q. Then you think he never did receive the second letter from Professor Blake?—A. I think he never received it. He was as much stounded as I was when he heard of it.

Q. Do you consider that the extract which was made from Professor Blake's first letter was calculated to give a fair impression of the neaning of Professor Blake in that letter?—A. I do; I did not make up this prospectus; it was made up in my absence, but I have never een anything in the rest of the letter that is inconsistent with the part hat is quoted.

Q. You do not consider that you guaranteed in any respect any of hose statements of the prospectus?—A. I considered that as one of he directors of the company, and as one of the vendees as well as one of the vendors, it was my duty to see that nothing went into the prospectus that was wrong

Q. Do you consider that that statement of Professor Blake's in the prospectus is a fair statement of his views as contained in his letter of 6th July?—A. I say again that I do not see any discrepancy between hat and any other part of the letter, and the only object in making the xtract, as I suppose, (though I was not there when it was done,) was hat the letter was so long, and that they had got Professor Silliman's eport, giving a more recent description of the mine. That was the eason of Professor Blake's letter not being published at length.

Q. You do not think that his statement, that the mine was narrowing p at the two ends, was a very necessary qualification in order that the ublic might understand the nature of the mine?—A. I did not underand him to say that.

Mr. HEWITT. He says, "It is not to be expected that the ore ground vein will continue to have the extraordinary dimensions mentioned. he ore-mass will, of course, vary in its thickness, and tend to contract nd expand. This is already evidenced at several points of the mine."

The WITNESS. That is, its expansion and contraction are evidenced.

Q. Do you not think that that qualifies in any way the extraordinary atements as to the nature of the deposit?—A. On the contrary, I ink it strengthens the statement. He says that this, like other mines, xpands and contracts, and I think that if the whole letter had been ublished, instead of these extracts from it, it would have made a much ronger case for the mine. But there was no intention to conceal anyhing in it from the public, and the prospectus stated that the original tter was with the solicitors, where it could be seen, with other documents. Any person who had curiosity to see the rest of the letter could ave seen it.

Q. Did you suggest to Albert Grant that the dividend should be three er cent. a month?—A. No, sir; two per cent., not three.

Q. He said in his statement that you suggested three. I suppose you

noticed that.—A. I did notice it, and I think he is wrong. I think there was something said about three—that the mine would earn three per cent., or had been earning three per cent.

Q. What was your motive in trying to interest General Schenck in this mine?—A. I wanted to assist General Schenck, to be friendly with him, and I wanted to have his name connected with it. I wanted to have somebody in England on whom I could rely, and with whom I could correspond, and who would hold a large interest in it. He said that if he took the stock, he would take it and hold as an investment. I was a total stranger in London when I went there, and I did not want to go away leaving no American behind me who was interested in the mine to look after my interests.

Q. Didn't you consider it a very desirable thing to have the American minister in the company?—A. I did.

Q. Did you not, therefore, make to him the proposition to take stock on terms which you did not offer to anybody else?—A. I did not make any offer to anybody else.

Q. What was your motive in offering him better terms than anybody else got?—A. Because I wanted him in the company for the reasons which I have given.

Q. Because he was the American minister?—A. Not solely for that.

Q. That was one element in it?—A. That was one element in it, of course. He was not only an honest man, but a prominent man; a man who was well known, who was prominently connected with the Government for many years, and who was now known as American minister. His name connected with any enterprise would, of course, add strength to it; there is no doubt about that; but I deny that that was my sole purpose. This is not the first instance of my doing the same thing. I could name numerous instances where I did the same thing with other parties, but not in the Emma Mine.

Q. If General Schenck had not been American minister to England, do you think that you would still have made him this offer?—A. I do; with the same acquaintance that I had with him, if he was resident there.

Q. Without respect to his being American minister?—A. Yes; because he had prominence enough and his name was well enough known in that country, so that his connection would have given strength to the company.

Q. In conversation with Albert Grant did you especially mention the fact that General Schenck, American minister, was disposed to take an interest in it?—A. I did not say General Schenck, American minister. I told him of the contract which I had made with General Schenck to let him have 500 shares of stock. I do not think he made any remark to that, or that he considered General Schenck's taking stock of any importance. But when I came to mention that General Schenck was going into the direction, he stated, as I have said, that it would be very satisfactory to the rest of the board and would add to the strength of the company, and that he had no objection to the substitution.

Q. Did you examine the prospectus before it was issued?—A. Yes; I think I did. A copy of it was passed around in the board. They got out a proof, and it was passed around among the directors. Mr. Bompas, who was in the chair, was reading it, but I left before it was completed, and the same night I was taken ill and confined to my room for several days.

Q. Did you have any consultation with Albert Grant in relation to this prospectus in advance of its publication?—A. No, sir; none what-

er. I had prepared the material for the prospectus, but he prepared e prospectus itself.

Q. Did you discuss that clause in it which states that, in consequence the exceptional character of the mine, General Schenck, the Ameri- n minister, had consented to become a director? Did you see that fore you saw it in print?—A. No, sir; I never saw anything of the ospectus till I saw it in print. I never saw the manuscript of it, and not know who prepared it. It was probably prepared by Grant or his counsel, or by both them and himself. It was a matter which had nothing to do with. The bringing out of the mine devolved on rant, with all the expenses, and I had no more to do with it after our ntract than you had, except that as a vendor and as a director I had right to conceal anything that was proper to be made public.

Q. Notwithstanding, the suggestion that General Schenck should come a stockholder and a director came from you to Albert Grant?— . Yes; and for the reason I have given.

Q. In the discussion of the inducement offered to General Schenck, d you point out to him that he would have this money for a year with- t interest?—A. I do not think that anything was said in the first stance about interest; and if I had been asked before I saw the pers whether I was not to have interest I would have said that I was. e matter had entirely passed out of my mind. I probably did say thout interest, or else it would not have been so written; but as to ere being any discussion about it, there was none. It was not held t as any inducement to him.

Q. The only inducement was that you would provide the money for m?—A. Yes; and give him a year's time with the option of his turning e stock back on me within the year, if he desired to do so, and my aranteeing him the dividends, which guarantee I could stop at any ne by offering to take the stock back. In other words, I made him rfectly secure for a year, and then let him decide at the end of the ar whether he would continue to hold the stock. That was my inten- n.

Q. Did you and Mr. Stewart discuss, in General Schenck's presence, e question of the compensation of directors?—A. No, sir; I did not ow myself what it was to be.

Q. Mr. Stewart has testified that you did discuss it, and mentioned ,500 a year as the sum.—A. I have no recollection of it. It may be , but it has passed out of my mind.

Q. Did you consider that it was good faith to the other shareholders, d to the other directors, who were associated with you, that you made is inducement to General Schenck to become a director and did not mmunicate it to them?—A. I did communicate it to the directors.

Q. That you were to furnish General Schenck with the money?— . Yes, and the character of the security and the guarantee of the ock.

Q. That you were bound to take the stock back within a year?—A. I n't know about that; I am not certain. I was trying to think whether did communicate that; but at all events I did not intend to conceal ything. I remember being stopped by Mr. Pemberton saying, "You ed not tell us that. That is nothing that concerns the company."

Q. Then it was communicated to the directors?—A. It was, most tinctly.

Q. All of it?—A. I cannot recollect that. I did not intend to keep ything from any of them; but to say that I communicated it to each e of them would be too much of a strain upon my memory. I can

recollect talking with four of the English directors on the subject there were only five of them. I talked with Mr. Pemberton, Mr. A son, Mr. Brydges-Willyams, and Mr. Doyle. I do not recollect ta with Mr. Stanley about it. Mr. Stanley was the only one of the d ors who wanted favors himself from me. He wanted that I shou him have stock on different terms from what I did the others.

Q. Do you mean at less than the subscription price?—A. N wanted shares and I let him have them.

Q. He applied to buy your shares?—A. He applied to me to buy for three or four pounds less than they were selling on the marke

Q. But not below the subscription price?—A. Not below th scription price, but he was the only one of the directors whom heard say anything about the qualification shares.

Q. Who furnished him with his qualification shares?—A. I knew that they were furnished at all until Mr. Stanley told m that was the custom. He did not tell me that they were furnish never knew that they were until I saw the testimony taken.

Q. Did they not appear in your account with Albert Grant?— at that time. There was an error in this first account, and I sent to him. In making out the account he did not charge me wit shares for the directors, but he made memoranda for the pur showing why he charged commission, in one of which he men these names. He did not say that they were for qualification Mr. Stanley met me in the board of direction, at one of the early ings, and said to me that Colonel Sturt had applied to him to b a member of the board, and told him that he was to have qualif shares without cost, and he wanted to know if that was so. He s have subscribed for 25 shares and have paid for them. I do no the money back, but if that is the rule, and if they are to give di qualification shares, I would like mine." I asked him, "Why not to Mr. Grant about it? He is the man." I never heard anythin about it. He said he had spoken to Bompas about it and that B said he would speak to Grant, and he asked me to speak to about it. I told him that I would. I spoke to Grant about it never heard anything about it afterward. I told Mr. Doyle about he said he never had received any qualification shares. These a two directors, I think, who spoke of it. The qualification were 25.

Q. What was your object in desiring General Schenck to ap his shares in the same public way as other people did, when you w give him shares out of your reserve?—A. I was not to do so i could be allotted to him in the general allotment.

Q. You said that you told Grant that he must give you these for General Schenck if they were not allotted to him. Why d desire that General Schenck should go in for the public allotm shares?—A. For the reason that I had agreed to keep all my sha nine months and not to sell them.

Q. But you had made a reservation with Grant that you were t these shares for General Schenck?—A. Yes; if they were not al to him.

Q. What was your object in his going in for the allotment?— cause I had no right to give them to him out of my reserved shar

Q. Why do you suppose that Grant wanted General Schenck to for shares?—A. I do not suppose that he had any other reason than that which he would have for any other people to apply for sl

ie wanted to make it a success, and there had to be applications enough or shares or it would not be a success.

Q. Was it not desirable that it should be generally known that General Schenck had publicly applied for 500 shares of the stock?—A. I never heard anybody so explain it.

Q. Was it not generally known in the market that General Schenck, American minister, had applied for 500 shares of this stock?—A. I never heard it mentioned in the market; I was very little there.

Q. Was it not made a matter of publication in the newspapers that the American minister was a subscriber?—A. I have no recollection of it; it may have been.

Q. When you applied to General Schenck to become a director, did he make any objection?—A. Yes, he did in the first instance.

Q. On what ground?—A. On the ground of propriety—whether it was proper for him, occupying the position of minister to England, to identify himself with a company which was organized there.

Q. Did you combat that view of his, and try to persuade him that it was proper?—A. I said to him that I could not see any impropriety in it. I did not urge him, because General Schenck is a man who thinks for himself.

Q. Did you receive from Albert Grant the prospectus of the Lisbon Tramway Company?—A. I have no recollection of it.

Q. Did you get it from General Schenck?—A. I do not recollect.

Q. Did you ever refer to it in conversation with General Schenck?—A. It was referred to in conversation. My impression was that General Schenck is the one who told me of it, but I may be mistaken. If I had seen it, and he had not known it, I should have told him.

Q. Did you inquire at all into the Lisbon Tramway Company's prospectus?—A. Nothing further than that the Portuguese minister was a director and president of the company.

Q. Did you know that he was the owner of the Lisbon Tramway?—A. Yes, and that he was what is called the vendor. I never read the prospectus.

Q. Did you know that at the time those shares were put upon the market it was a paying concern?—A. No; I did not know anything about it—nothing more than the fact that a prominent minister to England was not only a director of the company, but a vendor of it, and promoter and president of the company. My impression is that I got that information from General Schenck.

Q. Did you ask General Schenck to become a director before or after the contract was signed with Grant?—A. I am not certain. The contract was made with Albert Grant some five or six days before it was reduced to writing, and my impression is that it was during those intervening days between the making of the verbal contract and the time when it was reduced to writing and executed, that I spoke to General Schenck.

Q. Did Albert Grant ask you to make certain that General Schenck would be a stockholder or director before he would sign the contract?—A. No, sir.

Q. He made no condition of that sort?—A. No, sir.

Q. Was it understood between you, that General Schenck would become a stockholder or director before the contract was signed?—A. I think so. The contract was signed on the 2d of November, and before that, I think, General Schenck had consented to become a director, if everything was satisfactory. The contract was signed on the second, but it was closed before.

Q. Did you show Albert Grant any evidence of the fact that you had closed with General Schenck?—A. No, sir.

Q. Did you tell him that you had closed with him?—A. I told him that General Schenck had consented to become a director when he did consent.

Q. That was before the contract was signed?—A. Yes; I think it was before the contract was signed, because the contract was not signed until some days after it was made; but we had acted under it, and I had executed other papers in the mean time.

Q. At the time you made the contract with Albert Grant, all the arrangements with Coates & Hankey had come to an end?—A. Yes, as between him and me.

Q. So that you went in clear of all entanglements, to make this contract with Grant?—A. Yes, so far as that the agreement was passed over by Coates to Grant, and I knew that Grant made him a compensation for transferring it over, but I declined to have anything further to do with Mr. Coates in the matter, and said that I would deal directly with Mr. Grant himself; that so far as I was concerned, my dealings with Coates were at an end.

Q. In making your contract with Albert Grant you were not in any way governed, controlled, or affected by your previous contract with Coates & Hankey?—A. No, sir.

Q. You were free and clear of all entanglements in that matter?—A. Yes.

Q. Did you know at the time you made the contract with Grant that he was going to pay Coats & Hankey?—A. I did not.

Q. You were under no engagement to them?—A. I was under no engagement to them; I declined to be.

Q. In your contract with Grant did you regard the 20 per cent. which Grant charged for undertaking to float this stock, as a reasonable compensation for such a service?—A. I thought in the first instance that it was unreasonable, that it was too much, until I consulted with Mr. Puleston about it, and he told me that it was not unreasonable; but, on the contrary, that it was very reasonable, and that he did not suppose that Grant would make such a contract with me.

Q. In other words, in order to get Grant to take up the enterprise it was necessary to make him great compensation?—A. It was not for the compensation as represented to me, but because of the very large expenses he would have to submit to in bringing it out. In this country the expense of such a thing would be very light, and, of course, when that proposition was presented to me as a reasonable sum it struck me with astonishment, because I knew that in this country the expense of bringing out a company of that kind is very light. Mr. Puleston told me differently, and so did Grant, and so did Coates, and I do not think that any American mine has ever been sold in England at so small a commission as we paid.

Q. Were Grant & Co. to take their pay in stock or in money?—A. They took it in money; but the contract was to be null in case they failed to sell the stock, and they would be saddled with the expense.

Q. They were to have the 20 per cent. in cash?—A. Yes, after I received the cash. I think that that was the way the contract reads.

Q. Was the whole stock applied for by the public?—A. Yes; and a good deal more. I think there were 25,000 shares of stock offered to the public, and that about 50 per cent. beyond that number was applied for.

Q. Did Grant & Co. avail themselves of the option reserved in

e sixth clause of the contract, to take £250,000 further of the re-rve stock at par at any time before the expiration of nine months? -A. No, sir; that clause of the contract was superseded by another ıe when we sold those shares, to enable the company to get a quota-ɔn on the stock-exchange.

Q. What substitution was made for it?—A. A substitution by which rant was to undertake to sell the other half of the shares, and was to ceive his commission for them, £1 per share, I think. [Referring to ıe account current with Grant.] Yes, it was £1 a share.

Q. On the whole of the reserve stock?—A. No, sir; he received the ɔmmission on 17,600 shares of the other 25,000.

Q. Was that all that he received?—A. That is all that he has charged ı his bill, and of course that is all that he received.

Q. There was a provision in the seventh clause by which the profits ı the sale of the remaining £500,000 of stock was to be equally divided etween you and Grant & Co. Was that superseded also?—A. Yes, r; everything that related to the last 25,000 shares was superseded by e second agreement.

Q. Then all that Grant & Co. got was the £100,000 for floating the mpany, and £1 per share on the 17,500 shares that they sold?—A. ıat is what appears.

Q. Did they not get any commission on the 8,500 shares?—A. O, yes; at was considered their sale. There were shares, which I let Lewis & ns have, which did not pass through the hands of Grant & Co., and ey had no commission on them. Then I sold shares to Mr. Stanley, d to Mr. Doyle, and Mr. Brydges-Willyams, and Mr. Tooke, on which commission was charged; and then there were 2,000 shares which I thdrew to answer the calls of Mr. Brydges-Willyams, and there was a ɔayment to me by Grant & Co. of the £2,000 commission on General henck's stock; so that all that I was charged was the commission on ,600 shares.

Q. Then Grant & Co. received £117,600 from that transaction?—A. es, sir; on both the first half and the second half.

By Mr. BARNUM:

Q. Was the last arrangement made under a contract with Grant?—Yes, sir.

Q. Was the contract in writing?—A. Yes, I think so; I have looked r it; but I do not find it among the papers. This account embraces ery transaction that I ever had with Grant.

By Mr. HEWITT:

Q. The eighth clause provides that Grant & Co. shall keep a correct ac-unt of bringing out and forming the company and issuing shares there-r, and sustaining the market, and that the vendors shall be entitled, the way of rebate, to one-sixth of the net profits realized by Grant Co.; was that clause also vacated?—A. I cannot recollect that, except at it would appear so from this account. I had no other transaction ith Grant & Co., and there is no credit in this account for any £10,000, one-sixth of the profits. So I judge that that clause is abrogated ith the others.

Q. Attached to this appears a memorandum, which I will read: "It is reby further declared that the vendors authorize Grant & Co. to pur-ıase such number of shares as Grant & Co. may think it desirable to ırchase; and all the shares so purchased shall be taken up and paid r by the vendors at par, and that the vendors shall not be liable to ovide for any premium;" under that clause did Grant & Co. purchase

for the vendors between that time and the publication of the prospectus?—A. Yes, sir; in the open market.

Q. How much?—A. About 5,000 shares.

Q. Did they charge the cost of them?—A. I think not. There was a provision that they might sell them out again; and in as much as they did sell them right out again, they did not enter into the accounts.

Q. You were vendor and a director, and you were bound to deal in good faith with the people to whom you offered this property?—A. Yes, sir; I recognize that obligation fully.

Q. I understand that you do and that you accept the situation all the way through; but I want your view of it. Did you think it was good faith in you to make a contract with Grant & Co. by which this stock was to be put in the open market for the purpose of making it appear to be above par when, in reality, so much of the property which you offered to the public was going back to you, and when it was not a *bona-fide* sale and purchase?—A. It was a *bona-fide* sale and purchase. The purchase that was made was made from parties that had not got the stock and were selling it short. That is the way every stock is put on the market in London; they put coal companies' stock, and iron companies' stock, and the Pacific Railroad stock, and in fact stock of every kind, on the market in that way—even the Government loans. The *modus operandi* is this: Instead of opening subscription-books, as we do, for the organization of an iron company, or coal company, or railroad company, each subscription entitles the party subscribing, absolutely, to certain shares.

In England it is only an application for an allotment; it is not an application for shares. They employ their brokers, and the brokers go to the exchange with a number of these prospectuses under their arm and give them out. A man may say he will give £21 a share for the stock, while the prospectus really offers them at £20. The idea is that they all see that this is a short sale and a long purchase, from the "bears." Parties make their applications. They sell, for instance, five hundred short at £21, and make application at £20, and, if that is not allotted to them they must go into the open market, and pay such a price as they are compelled to pay. That is true even with Government securities. When the allotment comes, if there are more applications than shares, the directors strike out the applications of those parties who they can ascertain have sold short during the time that the stock was being brought out. Then the theory is to divide the balance *pro rata* among the rest, providing for the small shareholders first. When that was done I advised with Puleston, and with Jay Cooke, McCulloch & Co., and others, and learned that that was the universal practice, for people to offer £21 or £22 for shares when the prospectus was offering them at £20.

Q. Under this arrangement you became the purchaser of about five thousand shares?—A. Yes, sir.

Q. Do you consider that you were a *bona fide* allottee, to the extent of those five thousand shares?—A. No, sir; I was not an allottee of any shares. I purchased them in the open market—or Grant & Co. did.

Q. Were those particular shares allotted to you?—A. That I do not know.

Q. They were charged to you?—A. They were charged to me.

Q. None ever went out that were not allotted?—A. Yes; all went out on the allotment.

Q. When the prospectus announced that those shares were to be

allotted to *bona-fide* subscribers, or allottees, and you were buying in the open market from people who must necessarily dispose of that stock instantaneously to meet your purchase, do you think that was a *bona-fide* transaction?—A. Certainly. It is the only way you could transact any stock business there.

Q. That may be, and it may be that it is all corrupt and vicious. Suppose you had been the purchaser of the whole twenty-five thousand, would that have been a *bona-fide* sale of that property to the public?—A. Yes; it was *bona fide*, and every share of it was paid for. I purchased the same as if I went into the market after the allotment and purchased; but it was a necessarily short sale. It is the same question of morals that comes up on Wall street every day, as to whether a man can sell what he has not got; or whether another can buy what he knows the seller has not got. There may be some question of that kind involved here, but, as I say, that is the way they transact stock business there. Furthermore, every person who subscribes for any stocks in England understands that this is the way it is done in the market.

Q. If you had, under the contract with Grant & Co., become the purchaser of the twenty-five thousand shares, as you had of the five thousand, would there have been any *bona-fide* sale of this property to the public?—A. Yes; and I bought it back from the public in the open market.

Q. Would you not have been, just the same as you had been the purchaser of it, the owner of it?—A. Yes.

Q. And then, to the extent that you did buy it back, would there have been any sale to the public?—A. Yes; it was a sale to the public, and purchased in open market.

Q. Did you make an absolute payment of the money that you paid for the stock, as so purchased?—A. Certainly; it is so charged to me on my account.

Q. You did not apply for any of the allotment in public?—A. No, sir.

Q. It might have resulted in the public not having a share of it, might it not?—A. Yes; it might.

Q. And, to the extent that you became a purchaser, it was not transferred to the public?—A. Yes, sir; it was transferred to the public.

Q. It went through that shape; I understand that; but, if you had bought the whole of it, would the public have ever acquired any interest in it at all? Would it not have been a question merely of paying a difference?—A. The public would have bought it, and sold it again. In this case they took twenty-five thousand shares and sold them again.

Q. To whom?—A. To Grant & Co.

Q. Did the public really buy more than twenty-five thousand shares?—A. They did not have more than that on the settling up. They bought the twenty-five thousand and received and paid for them, but they had sold some in the mean time.

Q. Assuming that this thing had gone further, and that Grant & Co., for you, had bought back the whole twenty-five thousand, would not the result of this transaction have been that you would have been in exactly the same attitude, in regard to this property, that you were in before you made the contract with Grant & Co.?—A. Yes, sir.

Q. And then, to the extent that you did buy back, you were in the attitude of buying back your own property?—A. I bought back what I had sold.

Q. But what Grant & Co. had agreed to try and sell to the public?—A. Yes.

Q. Allow me to call your attention to the fact that, in the fourth clause, where you agree to deposit the property, I understand there is a provision that that is to go with the rest.—A. Yes.

Q. I ask you, now, whether that was not a contract, the practical effect of which was to sell to the public as much as you could sell and keep their money, and then sell the rest?—A. No; because we could have allotted a good deal more than we did.

Q. But you could not allot more than twenty-five thousand shares?—A. No. I cannot say any more than this about it; that the only way that shares or stocks are ever sold in England is the way I have explained. I did not go there to makes rules for their stock-sales. Every person there, who subscribes, subscribes with that understanding. That is the way their stocks are all brought out.

By Mr. BARNUM:

Q. You say that Grant & Co. took five thousand shares of stock; did they take that stock really for you?—A. Yes; and they sold it again, immediately.

Q. But they did take it for you?—A. Yes.

Q. And subsequently sold it, you say?—A. Yes.

Q. Grant & Co. paid for five thousand?—A. No; there you are mistaken; Grant & Co. did not pay for any five thousand to the company, or to me. I bought that five thousand, in the open market, from parties that had obtained the stock from the company by allotment. I had as much right to purchase it then as afterward, and I purchased stock in the open market afterward—large quantities of it.

By Mr. HEWITT:

Q. Turn to the prospectus, (page 29 of the testimony.) Let me call your attention to the following clause: "The directors, however, reserve to themselves the largest amount of liberty in the selection of allottees, and the number of shares to be allotted to each person, their desire being to place the shares in the hands of *bona-fide* investors." Do you consider that the contract with Grant & Co. was entirely consistent with declaration to the public that this stock was to be placed in the hands of *bona-fide* investors?—A. Yes.

Q. If you had bought the whole of it under this arrangement, could you still have so considered?—A. No, sir. That is the reason they strike out the "stags," as they are called, so that the *bona-fide* investors shall have the stock allotted to them. That is a discretion always reserved in every prospectus that I have seen in other countries. By that course, a man cannot go into the market and sell it all short, in advance, and then go and get the stock and buy it back again.

Q. Nevertheless, they do seem to have got five thousand shares in the case?—A. Certainly, they did. Parties will sometimes take the risk of selling short, and having to pay more to get it back. Just like a short sale in New York.

Q. In the prospectus (on page 26) you say "the extent of the mine is twenty-four hundred feet, or nearly half a mile in length; the title to it is perfect, being secured by United States patent." At that time did you think you owned twenty-four hundred feet in length upon the direction of this vein?—A. Certainly; and have no doubt of it now.

Q. You did not own twenty-four hundred feet; if you did, that would have brought you into the Bruner North Star claim.—A. No, sir; I do not think the discoverer's shaft was at the center of the mine, which was sixteen hundred feet one way and eight hundred feet the other. The eight hundred was to the Bruner shaft, I think, or intended to

r that ground, because he was a discoverer there, and had his ion before the mine was patented. He could have protested against patent or got a patent to cover his ground. The intention was to up to the Bruner's, and where they ran their shaft down it was t hundred feet toward the Bruner claim, and sixteen hundred feet other way.

The information I have, is that from the discoverer's shaft to the ier claim is 365 feet; how is that?—A. That may be.

Then would not this 2,400 feet have carried you into the Bruner n?—A. That is not my understanding of it.

r. HEWITT. Mr. Chittenden will correct me if I am wrong about e 365 feet.

r. CHITTENDEN. I cannot say anything about it, because I have r considered it of the slightest importance. I do not know the dis- e.

You do not think your patent extended to the Bruner claim, do ?—A. It was not intended to, although I think it would cover his n if it is within the limits, because he has had his day in court, and iled to appear. A notice was given that application would be e for a patent, and the notice described what the application covered, it was then for him to ascertain whether it got around to his claim, if he did not enter his protest within three months he had nothing to say.

Your survey runs up to the Bruner claim and runs out 2,400 feet, under this doctrine of swinging around it is brought back. Do you erstand the law to give you the vein if Bruner did not?—A. It is in the same vein, and within the same surveyed distance. This is ly a legal question, however.

You said in your prospectus that you had but twenty-four hun- feet on the line of this vein, and I am endeavoring to ascertain what theory you had that?—A. If we made any mistake in that ect and sold anything we did not own, we had given our bonds to antee the title—General Baxter and myself.

That bond guarantees the validity of the United States patent, as derstand it?—A. And the title under it.

And the title under that United States patent?—A. Yes.

But any title not conveyed by the United States patent is not red by that bond?—A. No, but it guarantees anything on the vein, we guarantee that that patent does convey the legal title.

You guarantee just what the title conveys?—A. Yes.

But you do not guarantee that it conveys twenty-four hundred on the line of the vein?—A. We do, because that is described in the

You describe in it, that they can go into the Bruner claim?—A. l, if it runs in there, of course we do.

The line of the vein is there; the line of the patent goes in a cer- direction, and you can take the 2,400 feet under this swinging the- in the other direction, and that carries you into the Bruner. Do guarantee the right to take the Bruner North Star if your vein act- carries you into it?—A. Yes.

On page 27 you represent the total estimated net yield of the mine the first of May to the first of September, equal to £231,059, or e rate of nearly seven hundred thousand pounds per annum. Could state, as a matter of fact, that that amount had been realized from first of May to the first of September?—A. I think so. I think that verified by the accountant.

Q. Between that time and the close of the year, did your mine go on yielding at the same rate that it had been yielding?—A. No.

Q. What interfered with it?—A. It yielded up to the 1st of August, when railroad-freights interfered with it by a large increase. Then we turned our forces on to development, or prospecting, as Dr. Draper said ought to have been done, for the purpose of opening up new prospects, and we sent out of the mine as little ore as could be done. The instructions were to take no more than could be done in the running of the drifts or the shafts, until we could make terms with the railroad. That was continued until we sold the mine. Then we sent over instructions. Baxter had succeeded in getting a reduction of rates from the Union Pacific Railroad, and then they commenced shipping.

Q. Inasmuch as it was a mere question of *shipping*, in the course of a year the whole amount estimated ought to be realized, for while you stopped shipping you did not stop *mining*?—A. We did stop mining with the expectation of taking out so much as before; it would not amount to 5 per cent., even, perhaps not 2, of what we had been taking out.

Q. But you were preparing for mining to come?—A. Yes.

Q. And when you resumed operations you made up for lost time?—A. No; because in that mine you could not take out more on the average than fifty tons a day. We did take out a hundred tons sometimes, but that was very exceptional. There was a good deal of *débris*, as well as ore, that had to be taken out, and the whole had to be brought there, and about fifty tons a day was all that could be brought out.

Q. You estimated that the mine, judged by the four months indicated, was yielding about £700,000 per annum. Did it yield that much within the year after that?—A. I do not know. I have not seen the report.

Q. You know how much dividends have been paid?—A. Yes; about a million of dollars.

Q. You know that in paying those dividends they had to borrow some money from you?—A. I do not know that they did in paying those dividends. They owe me some money.

Q. You have already testified you advanced that money for the paying of the dividends.—A. Yes; and was to have my money back out of the ore that was raised; but they diverted it from that and sent it to England.

Q. The total amount of dividends was £196,000, was it not?—A Yes.

Q. And you advanced how much of that?—A. I could not tell you without looking at my books.

Q. I find that you remitted £15,000 on one occasion and £18,000 on another, and received that sum back again from Mr. Hussey?—A. Yes.

Q. Of the dividends, therefore, you advanced £33,000?—A. Yes; but they owe me $130,000.

Q. That is about £20,000; taking that out of the dividends, would leave £175,000, which is what they have divided, and yet, by their statement, they have very little money in the treasury.—A. They have used a great deal in litigation.

Q. Yes; but allowing for all that, they have apparently divided only £175,000, or, in the rough, £200,000, which is about a million of dollars. During the year you estimated the product to be £700,000, which would have been about three and one-half millions.—A. There were two objects in giving that information to the public; one was to give the English public a knowledge of what the mine had done, and the other was to give them the fresh knowledge that we could, as to its then present condition and its probable future. For the purpose of satisfy-

g them on the first point, we verified our account down to the penny, given in the prospectus. That is as to the *past history*, and is secure. ıe future depended upon Professor Silliman's report; he was appointed r the vendees. Whether it came up to the expectation of Professor lliman or of the directors at the date the prospectus was issued, I nnot say.

Q. You are a signer of this prospectus, and I ask you whether this ıs not intended to convey to the public the idea that the mine would eld £700,000 a year.—A. No, sir; it was not the intention. The intıtion was to give the *facts*.

Q. Well, as to the actual facts, the prospectus says "Cash, being the lance of accrued profits, &c., £46,300;" *that* you turned over in oney?—A. Yes.

Q. "Two thousand eight hundred tons of first-class ore" which the ospectus says was then being forwarded to England, of the estimated t value of £70,000, which, I suppose, it realized; at any rate we will sume that it did.

Mr. CHITTENDEN. That amount was not realized. We have explained out that. There is an error in that item.

Q. But it was paid for, was it not?—A. Yes.

Q. They received the £70,000?—A. Yes.

Q. So that there was no loss on that estimate?—A. No.

Q. The prospectus next states that of property acquired the company ad eighteen thousand tons of second-class ore piled up at the mine for melting there, (including two thousand tons raised by former owners,) f the estimated net value £64,000.—A. Yes; that was Professor Sillıan's report.

Q. Has that been realized?—A. No, sir; nothing was realized during he following year.

Q. The prospectus proceeds: "The mine includes about thirteen thousand two hundred and fifty tons of first-class ore, to develop in various parts of the mine, and described in Professor Silliman's report, of the estimated net value of £357,750;" was that realized?—A. To the full extent I do not think it was. It was not expected to be until the next year.

Q. We have had a good many years since that time. It ought to ıave been realized since then.—A. I think that quantity has been taken ut.

Q. Of first-class ore?—A. Yes; but not the highest grade of first-lass ore.

Q. The value of "property acquired" is estimated at £538,000, inuding cash, ore, &c., which was turned over to the company as in the ine already developed, and they have paid in dividends less than 200,000; what has become of the remaining £338,000?—A. I cannot iswer that.

Q. Has it gone in litigation?—A. A portion of it.

Q. How much do you suppose?—A. I cannot state.

Q. Do you suppose £100,000 has gone in litigation?—A. No, I should ink not; one-half of that, probably.

Q. I should think £38,000 would cover it; and, if so, is there not a deiency of £300,000 in the estimate given to the public?—A. I cannot y that there is any deficiency.

Q. Have not they divided all the money in the treasury included in ll these receipts?—A. I cannot say they have.

Q. Up to what time were you a director?—A. I left there on the 11th lay of May, 1872.

get an inspection of the mine, that I might see how it was, and t
refused me access to it.

Q. What has become of the £500,000 which you told the publi
your prospectus existed there; in money, ore, or its equivalent?—
never told the public so.

Q. Do you not stand by the statement in the prospectus?—A. Y

Q. Does not the statement in the prospectus say that there is "c
£46,300; 2,800 tons first-class ore, valued at £70,000; 8,000 tons sec
class ore, valued at £64,000; 13,250 tons of first-class ore, include
the mine, valued at £357,750, the whole amounting to about £538,0
Tell the committee what has become of that, or whether it was
realized.—A. I never made a representation of that kind to the Eng
public; I have no knowledge of my own as to whether such informa
(which was derived from others) was true or not. They had as g
opportunities for judgment as I had; so they understood it. That st
ment you have read of the estimates of the reserves was made by
fessor Silliman, and the prospectus so reads—as from his estimate;
those that were invited to subscribe for this stock, or make applicati
for it, were referred to that report of Professor Silliman, which was p
lished in the prospectus and was left with their solicitors for any per
to examine. I made no more guarantee in that estimate as to the fu
than you did, nor any more representations in regard to it.

Q. This is not a question of "future" to any considerable ext
for this reason: they divided £175,000 in actual money, and of
£116,000 (more than half) was either in money or ore, then on the
to England.—A. Everything within my knowledge in that prospe
turned out exactly as I stated, as one of the directors, and that was
least part of it.

Q. And all the rest you do not profess to know anything about
A. I never professed to know anything about it; I did not then, an
not now. I went out to the mine afterward and sought informa
about it, but they would not let me go in, nor would they inform

The Emma extension claim.
Cash, being the balance of accrued profits receivable from consignments of ore by vendors to London and Liverpool, amounting to £46,300.
The 2,800 tons of first-class ore now being forwarded to England, of the estimated value of £70,000.
Eight thousand tons of second-class ore, now piled up at mine, for smelting there, luding 2,000 tons raised by former owners,) of the estimated net value of £64,000.

Was it within your knowledge that there was 2,800 tons?—A. No; aid 1,750.

). Then you guaranteed what was *not* within your knowledge?—A. s, because Professor Silliman had said he got the information from *office;* but really he obtained the information from his own exami- ion. I did not guarantee that.

). The statement you made to Coates & Hankey, before the receipt Professor Silliman's report in London, is headed as follows: "State- nt in relation to the Emma Mine, prepared by Mr. Park for Coates & nkey, before Professor Silliman's report was received in London." d in that statement I find the following items:

000 tons first-class ore at Salt Lake City and mine, at £28 per ton, £56,000; 6,000 second-class ore at mine, estimated at £8 per ton, £48,000.

There is another statement there of the reserve?—A. No, sir; I left it to their experts.

). I want to get at some rational explanation of the extraordinary iciency or difference between the £538,000 of cash and ore, and the results to that company of something less than £200,000 in the fol- ing year, with all this ore Professor Silliman spoke about existing. n you give me any explanation of that deficiency?—A. You must ply to some one who has knowledge on the subject.

). I turn now to the statement in the prospectus headed "Present ndors join the board." In that it is stated "T. W. Park, esq., presi- nt of the National Bank of North Bennington, Vt., and the Hon. lliam Stewart, United States Senator, both largely interested in the ne, have consented to become directors, and so afford the company opportunity of using their large experience in mining generally, but ecially with the working of this mine." Do you not think that that mits you to the accuracy of the estimates made in regard to this ne?

The WITNESS. Do you mean by Professor Silliman?

Mr. HEWITT. The statement made to the public in relation to the cking of this mine. You are familiar with this mine; do you think I are in no wise responsible for the accuracy of Professor Silliman's tement?—A. I consider myself bound by every statement which I made writing or verbally. Everything I state in the prospectus, of my own wledge, I feel bound by, but I do not feel bound by the opinions of expert that was selected by themselves to make an examination of mine, after I had seen it, and when I had no means of verifying that ort any more than any citizen of London had.

). But did you not think there was a large amount of reserve ore re when you went to sell it?—A. I did.

). Can you tell us anything about that reserve ore or what became it?—A. No, because I have been refused access to the mine.

). You cannot tell what has become of this deficiency of over 00,000?—A. No, I do not know that there is a deficiency. I do not ow, of my own knowledge, whether it is in the mine at present. I nk there is ore there.

Q. Do you think that £528,000 was produced from the items specified in this report?—A. I have no knowledge on the subject.

Q. Did you furnish the money for General Schenck's second allotment of stock?—A. I did.

Q. Did you sell out the stock?—A. I did not.

Q. Who sold it?—A. I do not know. I first thought I did sell it until General Schenck told me I did not, and then I reflected on it and came to the conclusion I had not sold it.

Q. How did you get your money back?—A. I think it was paid out of the sales, and by the gentleman who took the stock with him.

Q. Who was he?—A. General Schenck said he took on joint account with another gentleman whose name is Max Woodhull, and I believe is his secretary of legation.

Q. Do you know how much the net proceeds were in that transaction?—A. I do not know except what General Schenck told me. I want to say here that I did tell the English parties when they were over here that I sold that stock myself for him, and that it realized something over £2,000 net; but on reflection, and after hearing what he had to say about it, I am satisfied he had nothing to do with it.

Q. Did you buy or sell, at any other time, any other stock for General Schenck?—A. No, sir; except what General Schenck has detailed to you, and my proposition to him. I thought it was a contract on my part; at any rate, that he was entitled to it; and I urged him very strongly to receive it; he just as strongly declined. So strongly did he do so, that we came very near having bad blood drawn. Before I left London I told him that any operation I should make I would make on joint account with him; and while he did tell me that he would have nothing more to do with Emma, I said, "You do not have anything more to do with it; it is I that have to do with it. I shall not have anything to do with it unless I expect to make some money on it, and if I do I shall do it on joint account." When I came back and settled, and wanted a joint account, he refused it. I thought that at that time, after he had met with severe losses, he ought to share it, and I think so still. He suffered severely in character, in reputation, and dollars by the mine.

Q. You considered yourself bound in good faith and honor to indemnify him?—A. I did. Not on account of anything, but my having promised him he should have his proportion of anything that I might make on the stock, and that I wanted to keep my promise. I made that promise because I had a kindly feeling and sympathy for him.

Q. If he were to accept it, would your profits be sufficient to indemnify him?

The WITNESS. All his losses?

Mr. HEWITT. For the £10,000 lost.

A. Yes; I think they would.

Q. General Schenck told us on his direct examination that you offered to credit him with £6,000, which, he said, came out of a transaction in Panama stock. Give your statement about that.—A. Before I left London, and after these attacks were made by the American and English press on General Schenck, I think I felt worse about him than he did himself. But for me he would not have been on the board of direction, nor, perhaps, a subscriber to the stock except upon my representation and my lending him the money; and if he had not been a large owner he would not have gone on the direction.

It was through my influence that he became possessed of it. I felt a natural sympathy that any decent-hearted man would feel for another

imilar circumstances. I told him when I was leaving London I was sorry he had suffered so much in reputation. Said I, "That can-be made up nor got back; money can't get it back for you; but so as money can do it, I want to put you in the way of repairing He said, of course he would not have a cent's interest in the g after that. He never played baby, but he said *that* with some ng. I said, "I do not come here proposing to pay you anything, to insist that you will allow me to make it up for you by what I may e in the future. I shall leave Mr. Gager here, and he will have iority to operate in the stock under instructions from me, and if I ate in it I shall make money in it." I am not a dealer in stocks, I sometimes dabble in them; and when I do take hold of these gs I am apt to succeed. I told him I would divide with him in r to cover his loss, if I met with success. He told me he would e nothing to do with Emma anyway, and that he did not have a t to do anything with it except he put up his margin like anybody

hen he paid me the £500 he asked whether he would give me that argin. We talked about it a little, and finally I said, "no," it would n account of the note. I did not see him for two years afterward he lost largely on other shares that he purchased afterward, and ist be worse than human if I did not have a strong sympathy for . When he came back I called upon him at the Brevoort House. had written to me before asking me about it, and I told him not to himself any trouble about it while I lived, nor afterward either. en he arrived he told me he wanted to settle up these matters, and ted to borrow some money on his place in Washington—from ten wenty-five thousand dollars, according to my recollection.

e did borrow $15,000 of me, but he did not want to borrow it of me if ould help it. I told him to make out a proper trust deed and I ld try and place it. Then he wanted, he said, some money-settle-t as to this note that I had, before he went back. I said, "Let me go see Mr. Gager and see how it stands." He says, "What has he to do with it?" I said, "He has had dealings in these stocks and e money on them, and I will go and find out what it is." He said he eral Schenck) would have nothing and should have nothing to do it, but I said, "Let me go and see." I found there was money enough over his shares, and more, so that his note was paid. I told him I w that he had overpaid his note, and I think there was some $6,000, a rough estimate I made without going into an accurate calcula-of what had been made in the Emma, which would go on the note.

. You mean the £10,000 note?—A. Yes.

. When you said $6,000 you meant £6,000?—A. No; I mean in ss of paying that note. He was pretty spunky about it, and so was I told him, "If you won't take this, I can be as spunky about it as can, and I will make you pay me the money on the note, and I 't take your securities." He said he would pay it as soon as he d—that he did not have it now; but it resulted, after pretty sharp , in his refusing to have anything to do with it. I took the securi- He absolutely refused to have anything to do with it. He thinks s right; I think he is wrong. These are the facts. I generally try o what I think is honest with every man.

. I take it for granted you propose to give those stocks back to eral Schenck. I suppose that is your intention.

. My *intentions* are not evidence, I suppose; but there is no under-ding about it, directly or indirectly. I have no doubt General

Schenck would take it as an insult if I should offer him the stocks to-day.

Q. You never had any transaction in which General Schenck was interested except the ones you have been speaking of?—A. No.

Q. And as I understand you (and General Schenck has testified to the same effect) he had no knowledge of what these transactions were himself?—A. No, sir.

Q. The credit that was placed upon the note of £1,894 cash is reported as having been returned to himself by Mr. Gager; was that the whole profits of that transaction?—A. no; it was one-third.

Q. You applied one-third to General Schenck's credit?—A. Yes.

Q. Was that the only payment ever made to General Schenck on account of these transactions?—A. Yes; and the only one he received.

Q. Was it paid to him in money?—A. No; it is indorsed on the note.

Q. It is in the form of a credit on the note?—A. Yes.

Q. Did not you write to him that he had received a payment in part, and that was in part for profits he had received?—A. Yes, I did, because Gager had made more money. That was one transaction which was closed up by itself, and the reason I did not indorse the others was this: I had told General Schenck I would go halves with him in the profits I should make. When I was at Salt Lake City I ordered 2,000 shares of the stock purchased, and I purchased them on joint account with Hussey, without thinking, at the time, of my arrangement with General Schenck. I afterward wrote to Gager about it, and that was arranged by giving Hussey a third, and General Schenck a third, and myself a third. There was a lot that could not be fixed so easily by itself, as there were transactions every day, purchases one day and sales another.

Q. Under your transactions with General Schenck, did you not say that he had recognized the £1,854 7*s.* 9*d.* as part of what he (that is, Schenck) made by the Gager speculation?—A. I do not recollect the wording of it.

Q. That is a fact?—A. Yes.

Q. That he himself said to you that that was part of "what I made of the Gager speculation?"—A. Yes. The other part, I suppose, may have reference to what I have been calling your attention to, but I do not remember about it. I have forgotten about the letter.

Mr. CHITTENDEN. Does he not quote that from what Mr. Clark has said?

Mr. HEWITT. He uses that expression in the letter to Mr. Park of April 3, 1873, referring to the £1,854 7*s.* 9*d.*, "which I was able to pay October 7, apart from what I made by the Gager speculation."

Mr. CHITTENDEN. That letter is in reply to what Mr. Park had already written as to the note.

Mr. HEWITT. He says, "the £500 paid in January, 1872, I know I was advised at the time, but the other, including the £1,894 7*s.* 9*d.* which I was able to pay October 7, 1872, (apart from what I made in the Gager speculation,) you may not have formally indorsed on the note." That is the clause, and that struck me as having a very important bearing upon your relations with General Schenck.

The WITNESS. I shall be very glad to do what I offered to do then, if I can induce him to accept it. I think it was in February, 1873, he wrote that as matters had turned out, and dividends had stopped on the Emma Mine, and in consequence of his losses, he found that he should be unable to meet his obligations. I think that in my answer to that

etter, I said to him that he need not give himself any uneasiness on hat score, that he could take all the time he pleased.

Q. As the result of all these transactions with General Schenck, (we now what the settlements were,) do you not think now that it was a reat mistake on your part to bring the American Minister into this peculative enterprise?—A. I regret it because of the effect upon him.

Q. But do you not think that the conclusion of this whole thing is a lemonstration of the impropriety of a minister of the American Government being identified with a speculative enterprise in the country to which he is accredited?—A. I cannot say that I do; I do not know why an American minister has not as much right to speculate as a member of Congress, or a Senator, or the President of the United States, and to invest his money as he thinks right.

Q. But when it comes to selling the shares of a new concern in a foreign market, and in the country where he is accredited, do you not think this demonstrates that there is a manifest impropriety in his connecting himself with it?—A. I do not.

Q. Is there not a moral impropriety; has he not suffered by it, and as he not been placed in a false position, a position which leads you o the conclusion that if you had it to do again you would not do it?—A. Certainly, if I could foresee what came of it I would not do it; that s the reason why I say I have so much feeling on the subject. It may ot be wrong for you to walk down the State-house steps, but if you reak your leg in going down those steps you would be sorry you had one it and would wish you had gone some other way.

Q. You say he gave you £500. He says he gave it to you as a margin for operations; did you operate with it?—A. No, sir.

Q. Then that was credited as a payment?—A. Yes.

Q. The £2,000 that you credited afterward were an addition to that?—A. I have explained that to you.

Q. You have explained it to me, but you have not explained it to the committee.—A. I think I stated that in my direct examination.

Q. You stated that you got it by way of rebate on a commission from Grant.—A. Perhaps I had better now make that clear; yes, sir. Before I left London, and after I had closed up my last transaction with Grant, it occurred to me that he had charged commission on those shares sold to General Schenck, and that he was not entitled to it, because he did not make the sale. I called on him and told him so. His account had been made out and rendered to me, and I believe he had looked over the account. He said to me it was true that he did not sell the shares, but it was also true that I was not entitled to it; that I got my pay for the stock. "Well," I said, "the company is certainly not entitled to it, and you are not entitled to it, as between you and me. I want to give the benefit of it to General Schenck." After considerable talk he allowed it to him, and entered it on his account. The last item on the account is "commissions, General S." I did not tell General Schenck of it before I left, but after I returned home I indorsed the £2,500 on the note as a credit, and when he wrote me back he said he did not know where that £2,500 came from. I never did explain that to him until I met him in 1874, when he came home. I might have done so, possibly; but my impression is that he did not know anything of it at the time.

Q. Why were not Grant & Co. entitled to the commission on that as much as any other; was not that stock regularly put up?—A. Yes.

Q. The stock you sold to Stanley and others you sold out of your private stock, but here is a case where General Schenck went in *bona fide*

"service" or anything of that kind.

By Mr. SPRINGER:

Q. The note that you took from General Schenck was dated N ber 1, 1871, I believe?—A. Yes.

Q. That note provided that it should run for one year. Why was there was not interest provided?—A. I have stated that. I said I had been called upon here (it was four or five years ago, you m member, and I was making large transactions and was very anxi get home, and cannot remember all these small matters) I shou the note was without interest. I do not remember now the disc about it at the time, but probably I embraced that in the offer. I v to be liberal about it.

Q. Was interest ever paid on that note?—A. He computed in after a year.

Q. What payments, if any, were ever made on that note by G Schenck in money to you other than the £500 which you have tioned?—A. The two £500—the £500 first for the five hundred he sold in Paris——

Q. From some lady?—A. Yes; and then £500 afterward.

Q. £1,000 then was all the money that General Schenck ever you upon that note?—A. In money, yes; there was $1,200 paid last day of settlement.

Q. That was not for the note, however, I understood?—A. Y was for the note; everything he paid me, securities and everythin was on account of that note; he never paid me on account of an else.

Q. When you settled with him you included in the stock transa certain moneys that he owed to Jay Cooke, McCulloch & Co.?—A at all. I loaned $15,000 in a separate transaction.

Q. What was that for?—A. That he wanted to pay to Jay C McCulloch & Co., I believe to balance his bank account.

Q. How did that balance come against him?—A. Through

pay in full. I presented the note and it was paid by the cashier of Drexel, Morgan & Co.

Q. Did you have any evidence from General Schenck? Did you present his letter or check?—A. No; he had already written, and I delivered the note to them. It was for five thousand dollars and interest.

Q. The other payments are not due yet?—A. One is due next May, and the other a year from then.

Q. Is this mortgage still subsisting?—A. Yes.

Q. It had nothing to do with the Emma at all?—A. Not in the remotest manner.

Q. It was entirely outside?—A. It was entirely outside of it.

Q. Then there was a payment he made in money at the time of the settlement. What was the date of that?—A. The date of his giving me the stocks; May, 1874.

Q. How did he pay that?—A. In money. I had the impression it was $1,200, but he is undoubtedly right, that it was $1,700.

Q. He handed you the currency?—A. Yes, sir; or took it out of the $15,000 I had loaned him, I do not know which.

Q. You did not get his check?—A. No, sir; he had no bank account in New York.

Q. Except at Drexel, Morgan & Co.'s?—A. No, he did not have any there.

Q. Have you handed a schedule to the committee of the character of the securities you got for this $30,000?—A. I have the securities all here.

Q. You may give a list of them.—A. The largest one was $20,000 in a coal company, which pays 10 per cent. dividend.

Q. Who gets that dividend?—A. He does.

Q. Does he get all the dividends upon these securities?—A. Yes.

Q. Then, of the collaterals you hold paying interest, the dividends are all paid to him?—A. Yes.

Q. Do you get any interest on your note?—A. Not until it is due.

Q. When is it due?—A. Four years from the day it was made—1874.

Q. Was it drawn for the exact amount due at that time?—A. Yes; except what he paid me.

Q. Then that was a forbearance of four years' interest?—A. No; it was computed in the note.

Q. At how much per cent.?—A. Seven per cent.

Q. All the interest was computed, and he has the interest on the other securities?—A. Yes.

Q. And that is the reason why he has got the interest on those?—A. Yes.

Q. Did you get a new note, then, for the balance of the £10,000 note?—A. No, sir. I think I took these securities, giving him the right to redeem them in four years—estimating the securities to be of the value of the amount due.

Q. When was this note dated that General Schenck gave to you for $50,000—the first £10,000 note?—A. The 1st day of November, 1871.

Q. In what place in London were you and General Schenck at the time this note was made?—A. My impression is that I was stopping in Albermarle street—I think it was Edwards Hotel.

Q. In what room in London were you when the note was made?—A. My impression is (but it is only an impression) that General Schenck drew the papers all up and brought me them at my room in Albemarle street.

Q. Where was General Schenck's room then?—A. At 58 Great Cumberland Place.

Q. Do you know when he moved in there?—A. I do not. My impression is that he lived there all the time I was there. I have no recollection of its being written in my presence, because it is in his handwriting. If any of the papers are in my handwriting I drew them in my room.

Q. The note is in General Schenck's handwriting?—A. I think it is.

Q. You are certain it was made on the 1st of November?—A. I am.

Q. Was there any circumstance fixing that date in your mind?—A. No; the papers are all dated the same.

Q. Have you any other circumstance than that to fix upon your mind the fact that they were dated the 1st day of November?—A. No. Of course, if the note had said the 2d of November I would remember it. I should remember if the papers bore a different date from the date of the delivery, because it would cause me to remark that it was a different date from the date of delivery.

Q. Was it delivered to you on the day of its date?—A. Yes; that is my recollection.

Q. Do you state that he brought this to you at Edwards Hotel and the papers were passed at that place?—A. I have that impression. I could not swear to it. They were either written at my room or else he brought them there already written, because I do not remember of doing any writing at his house.

Q. Are you certain that this note was dated and this contract made and all completed prior to the 19th of December?—A. Certainly I am: as certain as I am of my existence.

Q. Are you certain that this was done prior to his going on the board of direction?—A. Yes; and before there ever was a word said about his going on the board of direction.

Q. Was it done before a resolution was introduced in the Senate or supposed to be?—A. It seems to me that this is asking the same question half a dozen times. It was done before he was talked about for a director. Of course, there was no resolution until after that. I can swear to that as positively as I can to anything.

Q. You can swear that it was written previous to anything being said as to his being a director?—A. I have sworn to that.

Q. You stand by that?—A. Yes.

Q. And that it was either written by General Schenck at his house, and brought to your hotel, or else written at your hotel?—A. I should judge so.

Q. Did it occur to you at the time that it was written on stamped paper?—A. No, sir; I do not think it required stamped paper at the time.

Q. It did not occur to you that it required stamped paper?—A. No, sir; I do not now suppose it did. It was a contract that was to be executed in London.

Q. It was executed in America.—A. At any rate, it never occurred to me in any way.

Q. You state, then, that unless this was written at your room where you stopped at Edwards Hotel, General Schenck brought all the papers prepared, to your room where you were. Did you not go to his room to have them executed, 58 Great Cumberland Place?—A. I did not go there to draw up the papers, according to my recollection.

Q. Will you state positively that you were not at 58 Great Cumber-

land Place when those papers passed?—A. I would not state a thing positively when there was nothing to attract my attention to it.

Q. You know whether you were at General Schenck's house, 58 Great Cumberland Place, or at Edward's Hotel at the time?—A. I have told you about that as far as I could. My impression is that he came with the papers all drawn up to my room. If the paper is in my handwriting, then it was drawn at my room, I think, because I do not think I ever drew any papers at his house. That is only reasoning, however, because I do not remember. You might as well ask me how I sat when I drew the paper.

Q. I should think that with such an important paper as that you would recollect the time and place at which it was drawn.—A. The papers speak for themselves.

Q. But they do not show where they were executed. I think you ought to remember that.—A. I am sorry that my memory cannot serve me.

By Mr. HEWITT:

Q. In regard to the deficiency of the first-class ore of one thousand tons, did General Baxter send forward an account-sales of that thousand tons of ore?—A. No, sir.

Q. It was reported as a deficiency?—A. Yes, and the letter he wrote to me announcing it was the first that announced it to me. I announced it to the company, and gave them the letter and a check in settlement at the same time.

Q. In one of their circulars they said, "A thousand tons sold in Utah." Does that refer to this thousand tons, or is it an error?—A. I do not think it intended for an error. They asked me how it occurred. I said I could not conceive of it, but I called attention to the statement I had made in which I said I do not expect that there was more than those 1,750 tons, and I said it might occur from the ore having been there. I told them I thought there was some mistake, unless it had been sold or smelted.

Q. It is stated as "sold in Utah," and I only ask whether you received an account-sales?—A. No; in point of fact it was not sold in Utah, unless a portion of it was sold there, perhaps two or three tons.

Q. It was made a subject of complaint on the part of shareholders at a meeting, was it not?—A. Yes.

Q. And Mr. Anderson said he did not care whether it was error or not, if the money were made good?—A. Yes.

Q. And the shareholders said it did make a difference because it made a difference in the prospectus?—A. I do not know about that.

Adjourned.

WASHINGTON, D. C., *April* 13, 1876.

Mr. Hewitt proposed to suspend the examination of Mr. Park in order that he might examine Professor Blake in reference to his second letter of the 27th of July, 1871.

Counsel for Mr. Schenck objected on the ground that they were not prepared to cross-examine Mr. Blake, as they required some papers for the purpose, which they had sent for.

Mr. Springer moved that Mr. Blake be now examined, and the motion was agreed to.

WILLIAM P. BLAKE sworn and examined.

By Mr. HEWITT:

Q. What is your present employment?—A. I am now engaged in reference to the International Exhibition in Philadelphia. I am a mining engineer by profession.

Q. As mining engineer, did you make a report on the Emma Mine, dated Salt Lake City, 26th July, 1871?—A. I wrote a letter on that date to Mr. Park and Mr. Baxter in relation to the mine.

Q. Did you write any subsequent letter?—A. I wrote another letter the next day.

Q. Did you mail that letter?—A. I mailed both of them.

Q. Did you mail it yourself?—A. Yes, with my own hand.

Q. Did you put it in the post-office?—A. I cannot state positively whether I deposited it in the box at the post-office or at the hotel. I know that I deposited it with my own hand either in the official post-office or at the box in the hotel.

Q. Have you a copy of that last letter with you?—A. I have not.

Q. Have you a copy of it anywhere?—A. I have the original draught of it.

Q. Where is that original draught?—A. In New Haven.

Q. Have you compared it with the extract from it in the prospectus of the Emma Mine, to see whether that extract is correct?—A. Yes; the extract is correct.

Mr. HEWITT. I have no complete copy of the letter; I have only some extracts from it. You [meaning counsel for Mr. Schenck] have the complete copy, and if you choose to put it in I will have it read; otherwise I will have those extracts put in.

Mr. CHITTENDEN. We have offered the paper to you two or three times.

Mr. HEWITT. I have had it as a matter of courtesy, but not in a way that I could use it. I now ask the witness [handing the paper to him] whether this is a correct copy of his letter of the 27th of July, 1871.

The WITNESS. (After looking over the paper.) It is a correct copy, except that there are some clerical errors in it.

Mr. HEWITT. Read it as a part of your testimony.

(The witness read the paper, and noticed as he went along some verbal inaccuracies in the copy, such as the word "throws" for the word "thins," the word "veins" instead of the word "walls," the word "ore" instead of the word "one," &c.)

By Mr. HEWITT:

Q. To whom was this letter addressed?—A. To Messrs. H. H. Baxter and Mr. T. W. Park.

Q. How was it addressed on the outside?—A. I think in the same way, but I cannot recollect now the exact superscription on the envelope.

Q. Was it addressed to one or the other, or to both?—A. It was addressed to either the one or the other, or to both, but I cannot say positively. It was addressed as the other one was which was mailed the day before to the same office in Wall street, New York.

Q. Were you paid for making this examination and writing these letters?—A. I was paid for making the examination. There is an additional proviso about certain maps which is not exactly understood by me or the parties.

Q. But you received payment for that work?—A. I did.

Q. What amount were you paid?—A. I was paid $2,000, to the best

my recollection. There was a balance of some $500, but I cannot be sitive now whether it was on the maps alone or on this work.

Q. Who paid you?—A. Mr. Park.

Q. Did he pay you in one sum or in two sums?—A. I was paid partly Salt Lake, by the Walker Brothers, on the order of Mr. Park, as I derstand, and partly in New York.

Q. Did you get any pay after you sent these letters?—A. I received e balance of $500.

Q. From whom?—A. From Mr. Park, in New York.

Q. Was it not $1,000?—A. It is so long ago that I cannot say; it ay have been $1,000, but my impression is that it was $500.

Q. Did you have any conversation with Park or Baxter in regard to is second letter?—A. I do not think I had; I do not think I menoned it.

Q. Did you, at that time, in conversation with other people, make it iown that you had sent a second letter?—A. Yes; to several parties. do not now recollect any except, perhaps, a party in Salt Lake, to iom I read my first letter, and talked it over the same evening that it is mailed. I felt anxious about it, as I thought that I had not perps covered the ground fully enough; that I had not given sufficiently cided expression of my opinion, and the party to whom I read it coided with me. Thereupon I sat down and wrote the second letter.

Q. Do you recollect, after your return East, talking with people genlly as to the fact that the second letter had been suppressed?—A. I l communicate the fact to one of the directors of the Emma Comly.

Q. Which one?—A. Mr. Stanley, and to yourself, I think. I think I t Mr. Stanley and yourself at an entertainment given by Mr. Cooper.

Q. So that the existence of that second letter was known generally as ly as the summer of 1872?—A. That is my belief. I may have mennd it to several other parties. I never made any concealment of it. . Stanley asked me the direct question for the chairman of the board regard to that extract from my first letter which was printed in the spectus. The question was whether that extract fairly represented opinion of the mine, and that brought up the whole subject. I anered that it did not, and I told him not only what I stated in the seed letter, but I gave my opinion in full verbally.

By Mr. MONROE:

Q. In what way did Mr. Anderson put that question to you?—A. It s through Mr. Stanley, who came to this country.

By Mr. SPRINGER:

Q. Did you converse with Mr. Park in New York with regard to the ne after the letter was written, and independently of the letter?—A. , sir; no opinion was expressed personally about it.

Q. Was anything said about the first letter by Mr. Park?—A. Nothing atever about either of the letters. I felt indignant, and expressed ne indignation about the use that was made of my letter, and he d to me that my report was not used.

Q. When did he say that to you?—A. At that interview. It is the y one I have had with him. I have not spoken to him since on the ject.

By Mr. HEWITT

Q. That was after Mr. Park's return from England?—A. Yes, sir.

By Mr. SPRINGER:

Q. The first letter was used in part, and then he could only have referred to the second letter when he said that it was not used?—A. No, I think that he referred to the use which he had made of the first letter; an extract from it was used in the prospectus.

Q. All that he said was that he did not use your report?—A. Yes; he told me that it had not been used.

Mr. HEWITT. Mr. Park has stated that he paid you $2,500.

Mr. PARK. I did not make that statement.

The WITNESS. There was a difference between us of some $500.

By Mr. SPRINGER:

Q. It is your opinion that you only got $2,000?—A. Yes.

Q. And that there is still $500 unadjusted?—A. Yes.

By Mr. BARNUM:

Q. The amounts that were paid to you from time to time, were they paid by checks?—A. They were paid by checks on Duncan, Sherman & Co., New York.

Q. How were the payments in Salt Lake made?—A. They were in cash, I think. They may have been made by checks, but I do not recollect.

By Mr. SPRINGER:

Q. Did you give a receipt, or bill, or itemized account?—A. No, sir; I do not recollect giving any.

Q. He simply gave you a check on Duncan, Sherman & Co.?—A. Yes.

Q. Was that check payable to your order?—A. I think it was. I am not positive whether it was payable to order or to bearer; I received the money.

Mr. Hewitt remarked that he would not ask the witness any more questions at present.

Mr. Springer remarked that the witness would be called again in regard to the general subject.

Mr. CHITTENDEN, (to the witness.) We want the original draught of your letter, which is in New Haven. It is so important that rather than have any failure in finding it, we will pay your expenses for going to New Haven and procuring it. Will you bring it?

The WITNESS. I certainly will, if I can find it. It has just occurred to me that at the time that the solicitor of the company came to the United States, he requested to see that same letter, and I may probably have given him the original.

Mr. CHITTENDEN. No; he swears that you did not give him the original or show it to him.

The WITNESS. If I find it, it is at the service of the committee.

The witness was directed to appear before the committee on Tuesday next at half past 10.

Examination of T. W. PARK continued.

By Mr. HEWITT:

Q I understand you to say that you never saw or heard of this second letter of Professor Blake, of the 27th of July, 1871, until it appeared in the evidence taken on the other side, and sent over here with legal documents?—A. Most distinctly.

Q. I understood you to say yesterday that you furnished to Coates and

key a statement in relation to the Emma Mine, which is found on ›s 423, 424, and 425, and you assert that it is correct?—A. Yes.

. On page 424 is this paragraph:

›fit on 5,638 tons produced by present owners, (who purchased April 25, 1871,) › September 1, £158,216, or at the rate of over £450,000 per annum.

ı the prospectus issued by Grant & Co., and which is found on page is this item:

›tal estimated net yield of mine from 1st of May to 1st of September, equal to months' working, £231,059, or at the rate of nearly £700,000 per annum.

›e good enough to explain how this change from £158,216 to £231,059 ırred, and the annual yield from £450,000 up to £700,000.—A. I not explain that. The figures in the prospectus were given as the ılt of an accounting by the accountants appointed by the company, l were taken from the books of Lewis & Son and Bath & Son. The ıres in the statement which I submitted to Coates and Hankey are than those returned by the accountants, and I can only account it by supposing that in my statement I did not embrace ores that e on hand, and that were embraced in the statement made in the spectus.

. You stated yesterday that you would not guarantee the correctness he statements made in the prospectus, but that you would guarantee correctness of the statement made by you to Coates and Hankey.—I think you misunderstood me. I said that I would guarantee everyıg in the prospectus that related to the past of the company, but that ould not guarantee any estimates that were made by persons apıted by the company to make an examination and report.

. Is this correct on page 27, that the net yield of the mine from the of May to the 1st of December was £231,059?—A. I can only say t we had no ore consigned to any one except to Bath & Son and to vis & Son, and that the figures given in the prospectus were verified n their books by the accountants.

. Do you know now whether the mine did, in those four months, ld a net profit of £231,059?—A. Not except as it is reported by the ountants. I did not examine the books of Bath & Son or Lewis & ı. That was done by the accountants of the company. I took with to London the accounts of sales from the opening of the mine down the time of my arrival, giving the date of each sale, the date of each pment, and the date of the arrival of the ore, and the product, gross l net. These papers I handed over to the company, and they were ced in the hands of the company's accountants, who went to Bath & ns and Lewis & Sons, and from their books verified the statement. is prospectus was made up from this accounting by these accountts, consequently I know that all the products of the mine must have en correctly stated from the commencement down to that time. But the time of my arrival in London, there was a large amount of ore sold, which, at the time the prospectus was made, and the books of th & Sons and Lewis & Sons were examined, had been sold and ssed on to their books.

. The statement in the prospectus is that the mine had produced 38 tons, which of course included all the ore in the hands of Bath & ns and Lewis & Sons. If you divide the £158,216, which you give in ur statement, by 5,638 tons, it will give nearly £30 a ton for the ore, ich seems to be very nearly the rate you got. Is not the 3,529 tons ıt are mentioned in the prospectus as having been shipped to Lewis Sons and Bath & Sons, value net at £31 per ton, part of these 5,638 ıs?—A. I presume that it was.

Mr. HEWITT. You undoubtedly had the means of stating how many tons of ore the mine had produced up to September 1, and whether that amount included all the ore that was sent to Bath & Sons and Lewis & Sons.

The WITNESS. Whether it did include it, or whether it appears in another place, I am not able to say. This statement which I made up for Coates and Hankey, I made up from the accounts of sales which I had with me, whereas the statement in the prospectus was made up from an accurate accounting by the accountants. All that I can say is that what information I gave from the papers that I had in hand was correct, and that if it was incorrect it was only because I may have omitted some ore which the accountants found afterward. It may have been that it was ore which was unsold, and that that would make up the deficiency, or it may have been because a portion of it was placed elsewhere. That I cannot say. I will tell you where I think it may have occurred. It may have occurred from the ore that was on hand at Salt Lake, which had been produced previous to the 1st of September.

Q. If that is the fact, would it be a fair statement to say that the total estimated net yield of the mine from the 1st of May to the 1st of December was £231,059, when a portion of it, amounting to £60,000 or £70,000, was ore produced previously to that time?—A. Not produced previously to May, but produced previously to the 1st of September and not reported.

Mr. HEWITT. Your statement is that 5,638 tons of ore were produced by the present owners

The WITNESS. Yes; and it would seem that I did not make that statement large enough, because the statement in the prospectus is correct, having been taken from the books of Bath & Sons and Lewis & Sons.

Q. Then I understand you to say that the whole of the ore on which this estimate is made was produced from the mine between the 1st of May and the 1st of September?—A. That is my understanding of it.

Q. In other words, that you produced from that mine 7,500 tons of first-class ore in one hundred working days?—A. Yes, sir.

Q. And do you think now that the mine did produce 7,500 tons of first-class ore in one hundred working days, or four months?—A. I should think we did for a time. We were producing, once, one hundred tons a day.

Q. It produced more during that time, then, than had been produced before in the same given time, or afterward?—A. Or afterward, I suppose. I don't know but that there was, during the months of January and February, as much produced. I think that in one month there was over $300,000 worth produced.

Mr. HEWITT. I have not been able to find anywhere else any such continuous production. I find days when the mine produced one hundred tons, but, as a rule, the production seems to be about forty tons a day.

The WITNESS. I explained to you the other day that at that time we were pushing the mine to its utmost extremity, and got out all the ore that we could.

Q. You were then contemplating, during that time, selling the mine in England?—A. No, sir; we were not; because we had not obtained a patent for it, and we did not obtain a patent until the 24th or 26th of August.

Q. At what time did you make your purchase of the one-half of the

e for $375,000?—A. The purchase took effect on the 27th of April, it was made in the first part of April or in the last of March.

. Did not you state to the vendors then, and was it not a matter of ersation, that the reason of their selling at that low rate was that would be able to dispose of the mine, and that you intended to dis- of it in Europe?—A. I do not know that that was talked of. It talked of that we would sell it if we could get a patent.

. Was not that one of the considerations for their taking a lower e—that you would be able to sell the property at a very much higher e, and that they would be better off with one-half the mine with you t, than they would be with the whole mine with you out of it?—A. statement was, whether, in view of these litigations, that might last years, or might last only for months, my services would not be valu- enough for them, and whether afterward, if we obtained the patent, services would not be valuable enough in the sale of the mine to ice them to sell to me at a lower price than that which they de- ided for it, and which I thought it was worth. I said that to the ties, and that I did not suppose we could get a patent within twelve ths, and I did not expect we could. It had been suggested to me, hat time, that there was no chance to get a patent for a long time to e. These suits were pending, and if they went to the Supreme rt of the United States, as they were likely to go, we knew that it ld be three or four years before there would be final judgment in n; but that if by good luck we could get a judgment sooner than it expected, then the mine would be sold. But the expectation was, at t time, that we should work the mine ourselves for a long time to e, while these litigations were going on; and they required my serv- in those litigations a good deal more than in the selling of the e. If they had the mine clear from litigation, they could have sold emselves as well as I could.

. When did it first enter your mind to sell the mine in Europe?—A. ade up my mind in the first instance that if it were sold, London ld be the best market for it, because they knew more about the mine re than they did in New York or San Francisco. London is the at mine market of the world, and we had had applications made to or the purchase of the mine within a few days of our making the chase. I have no doubt that I did contemplate that when we should it, which would not be till we got the patent, we should take it to London market.

. Didn't you discuss with the other owners, especially with Mr. wart, the wisdom or policy of sending a large quantity of ore to gland with reference to the sale of the mine, which you expected to e there?—A. No, sir; on the contrary, if you will look at my report will see that I stated in that that we had pushed the mine to its extremity, and that the new owners could not expect any such pro- tion in the future as in the past. I stated most distinctly that we crowded the mine to its utmost extent, and that they could not ex- any such production in the future as in the immediate past.

. Nevertheless, was it not a matter of discussion among the owners the mine was to be sold in England, and that the effect of ship- t of ore would be to give it a high reputation over there?—A. I er heard it mentioned by any owner, and I never mentioned it my- On the contrary, I made the report to the English parties that so rom its past production being a guide for them, they must not ex- that the production would be so much in the future.

r. HEWITT. That was after the stock was sold?

The WITNESS. Yes; but at the same time it was before I got my money.

Q. It is stated in the estimate that on the basis on which the mine had been yielding, it was estimated that it would yield £700,000. Is there anything in the prospectus to indicate that you did not think it would go on producing at that rate?—A. I do not think there is, unless it may be found in the report of Professor Silliman. That is what they went on as to its future prospects.

Q. Here is a statement that the mine had yielded at the rate of nearly £700,000 per annum, and it was on this statement that the stock was subscribed for in England. Was there any doubt expressed by you that the mine would not go on yielding at that rate; I mean explanation in any public manner?—A. I stated to the vendees, and that was as public as I could make it. All the directors understood it.

Q. Who were the vendees?—A. The company, represented by the directors.

Q. You issued a prospectus before there were any shares subscribed, in which it is represented that the production of the mine is equal to £700,000 per annum There is no qualification of that in the prospectus. I ask you, therefore, would not the subscribers for stock suppose that that was a true statement of the probable yield of the mine?—A. I can only answer that in this way, that I suppose that any sensible man who took that prospectus and wanted to decide from it whether he would apply for shares of the company would look to two points: one, what has been the past production of the mine and its past history, and the other, what is its future. We gave them accurate figures as to the past, and then they sent out their representatives and their experts to give them an opinion as to the future. A person who intended to apply for shares, (I should at any rate,) would look at those accurate figures for the past, and then look at Professor Silliman's report to determine what they had a right to expect in the future. Mr. Anderson announced in the first public meeting of the shareholders that they bought the mine on the report of Professor Silliman as to the future, and not on the representation made by the vendors.

Mr. HEWITT. I am now dealing with statements made to the public. You say that you stated this after the subscription.

The WITNESS. I stated it before the subscription.

Q. You stated that this was an exaggerated estimate, and that the mine must not be expected to yield at that rate. When did you state that to the public—before the subscription?—A. I have not used the word "exaggerated," because it was not exaggerated.

Q. Didn't you state that they could not expect the mine to yield at that rate?—A. Yes; but I did not say that it was an exaggerated report, because it was not. It was the truth.

Q. Here is a statement as to the past yield of the mine, and there is nothing in the prospectus to qualify it, or that would lead anybody to suppose that it was not going on at that rate. Now, how did you qualify it? You say that after the subscription you notified the directors that they could not expect the mine to yield at that rate.—A. The prospectus gives the figures for the four months past, and says that that was at the rate of so much per annum. It might have said that that was at the rate of £7,000,000 for ten years. That makes no difference. There were the figures of what the production had been, and then the investors looked to the report of their experts as to the present condition of the mine and its future prospects.

Q. When you estimated in the prospectus that the yield of the mine

as at the rate of £700,000 per annum, did not the statement imply that hat was the rate you estimated of the product of the mine?—A. No, sir. f I knew for certain that the mine would produce £700,000 a year, I ould never sell it for a million of pounds, because the produce would e 70 per cent. of the purchase-money in a year. Who would sell roperty that was producing 70 per cent. on the purchase-money? In he sale of mines, the seller sells the prospective value. He does not ell just what is in sight, because that he could take out himself. Mr. Raymond says, that, taking Professor Silliman's report as true, hat there were $2,500,000 worth of ore in the mine which could e taken out, the mine ought to bring $2,500,000. Now, I have nown mines to be sold for a million of dollars that hadn't a particle f ore in sight. When you sell a mine, you sell it from its past hisory and from its prospects in the future. I have bought mines for ten imes the value of the amount of ore in sight. I have invested $400,000 n gold in one mine since my return from England, when it did not how $40 worth of ore in sight. The questions that are always looked t in buying and selling a mine are, how far has it been developed, how uch ore is there in sight, and what are the future prospects. The eological formation, &c., is then taken into consideration. Mines are ot sold like wheat, by the bushel. You may be selling a mine for hat will turn out to be 10 per cent. of its value, (and many mines ave been sold in the English market at 10 per cent. of their value,) nd then you may sell it at ten times more than its value. I invested 130,000 in one mine in Nevada, and I never got a dollar out of it, and obody cheated me there. I simply made a mistake as to its future rospects. Mines are uncertain, and therefore, to talk about selling a ine for just the value of the ore that is in sight, is perfectly preposterus, because the owner could sell that ore himself, without selling the ine.

Q. If you only intended to state the net value of the ore that was aken out of the mine in four months, what was the object of your puting it that it was at the rate of nearly £700,000 per annum?—A. I on't know any reason for it except that it was to save men the trouble f figuring it up for themselves.

Q. Was it not intended to lead the public to believe that the mine as worth £700,000 a year?—A. I do not think so. That report was ade before the contract was closed.

Q. Did the public know it at the time that they were making applition for stock?—A. There was no public in the matter, except as it as represented through the directors. The directors represented the areholders, and my statement was made to them.

Q. But had not the shareholders subscribed for the stock at that me?—A. Yes.

Q. Prior to the time of the subscription did they have this knowlge?—A. Not, except through their directors.

Q. How could they have it through their directors when the directors d not exist?—A. What you want to know is, whether we intended to ake a representation that the mine was worth £700,000 per year.

Q. I want to know whether you intended to lead the public to think at the mine would produce £700,000 a year.—A. That was not the tention at all.

Q. Why was it put in?—A. It was put in to show the past history the mine. If you were selling a farm you would say that it produced many bushels of wheat last year. You are objecting to the four onths' yield being multiplied by three to show the rate for the year.

All that I can say is that it was the truth. As to the future of the mine, I repeat that they had their own experts to determine it.

Q. Take it in connection with the paragraph at the foot of page 27:

Dividend limited to 18 per cent. until formation of fund to equalize dividends. With a view to equalize and insure steady and continuous payments of dividends, the division of profits will be restricted to 18 per cent. per annum, payable monthly, until £180,000, equal to twelve monthly dividends at this minimum rate, are in hand in London. After which time the whole of the earnings, subject only to such reserves as the directors may deem advisable, will be divided monthly among the shareholders.

Connecting this statement with the other statement, that the yield is at the rate of £700,000 per annum, was not the public led to believe that there would be a very large surplus in the year, over and above current expenses?—A. I think so; that was the belief at the time. I wanted to make the dividends two per cent. a month, and I thought that the company would be able to declare dividends at three per cent. a month.

Q. You turned over to the company, according to the statement on page 27, about £538,000 worth of net property. The stockholders received in dividends less than £200,000. The mine was worked for a whole year after that, and the product must certainly have added something to the fund. During that time Professor Silliman made his second report, in which he added to the gross amount of 13,250 tons of first-class ore mentioned in the prospectus, 12,000 tons of first-class ore, making 25,250, and there were subsequently added 8,000 tons, making altogether 33,250 tons of first-class ore, valued at over £500,000. You were at the mine in October, 1872. All these things you thought to be true, and more than true, so that you bought stock of the company in October, while Mr. Anderson was there, and yet all this enormous quantity of ore has disappeared. What has become of it? The shareholders received less than £200,000 in dividends. What has become of the rest of the property?—A. In the first place, the £46,300 mentioned in the prospectus was the product of the ore sold in England after I went there, and that was put into the treasury. These are exact figures.

Mr. HEWITT. Give the exact figures.

Mr. Phelps objected to Mr. Hewitt's interruption of the witness. He asked that the witness should have an opportunity to give the answer without interruption.

Mr. HEWITT. Yourself and Mr. Chittenden have never hesitated to interrupt me, and I never made objection to it.

The WITNESS, (Continuing.) The £46,300 was paid into the treasury. That was realized; 2,800 tons of "first-class ore now being forwarded to London, of the estimated net value of £70,000," was realized on; 8,000 tons second-class ore, which was estimated by Professor Silliman at £64,000, was not realized on, and was not disturbed during the year 1872, as I understand, but it was on hand. Then, as to the 13,250 tons of first-class ore and the additional tons of first-class ore mentioned in Professor Silliman's subsequent report, they were matters that I did not know anything more about than any member of this committee. When I left Salt Lake to go to England to sell the mine there was no such quantity of ore in sight. I made an estimate then of the quantity that there was in the mine, in sight, at 10,000 tons, but Professor Silliman went there and reported that he found a much larger amount, owing to further developments. When he made his second visit to the mine he reported still further reserves of ore on hand. I am not responsible for his reports. I never had any knowledge of what Professor Silliman found there. Every other man in England had just as good an opportunity of judging of that as I had. That was Professor Silliman's estimate. When

he accuracy of Professor Silliman's report was questioned in England, nd when these circulars began to be issued, then I declined to sell a single hare of stock until the mine was examined by the English directors, and hey sent out Mr. Brydges-Willyams, and he made a report. I am not reponsible for that. He was one of their own directors and a large stockholder, and he undoubtedly reported just what he believed. In July Mr. Stanley went there and he made a favorable report, but not as extensive a one as Mr. Willyams had made. I am not responsible for that. I had not seen the mine for nine months after I had sold it, and then I was so impressed with the quantity of ore on hand that I not only purchased additional stock, but I offered to purchase the entire mine at $5,000,000. I made that offer, in writing, to the directors. In October, I did not go up to the mine, on account of ill-health, but Mr. Anderson reported in October that large quantities of ore were found there, and he reported it larger than any of the previous reports made it. I am not responsible for that. If he deceived anybody he deceived me. I purchased stock on the strength of what he reported to me at Salt Lake. Now, the production seems to have fallen off after that. You ask me about it. When I sought for information from them and asked them what the product of the mine was, and what its output was, they promised to give me the information, but they never did. Then, when I became anxious about it myself and became disappointed about the output being so small as compared to what it was in July, 1872, when I was there, I went to Salt Lake to visit the mine. That was after Mr. Anderson had made his closing report, in which he estimated the value of the property as higher than it had been estimated by any one who had previously examined it. It seems that from that time (it was in November) it fell off immediately, and I could not understand it. I went out there and I was refused admission into the mine. Then, when they said that the mine had given out, I wanted to know what had become of the quantity of ore that Mr. Anderson said he saw there in November. They refused me admission into the mine, and I could never ascertain what had become of it. They are the persons to ask. They are the ones who made the representations to the British public. After one-half of the mine was sold, and when I refused to sell any more until they had verified every statement made by Professor Silliman, then it was verified twice over by the English directors. After that I was refused admission to the mine and was refused information. When they refused to let me go into the mine, I offered to go on and work the mine at my own expense in order to show its value, for their benefit, and that was not allowed me. And now you ask me what has become of that quantity of ore which all those gentlemen report. I did not report it. I never professed to see it there. My hasty judgment is that that ore has been taken out, or that it is still in the mine. I do not know what has become of it. I do not know what has become of the ore taken out since December, 1872. I know that this second-class ore was taken out, but what has become of the proceeds I do not know.

Q. You believe, then, that this large quantity of ore, reported by Professor Silliman and the rest of them, was really in the mine?—A. I have no reason to disbelieve it, and I was informed by young Mr. Williams—Hannibal Williams—that the quantity of ore taken out exceeded the estimate down to the fall of 1873, and said that there was an accurate account kept of it at the mine by himself. I asked Mr. Williams what the gross product had been from the fall of 1871 to the fall of 1873, and he gave it to me in tons, saying that it exceeded the estimate made by Pro-

fessor Silliman. There is this explanation to be made for a portion of it. When these new explorations were made to the northwest, while the ore bore the same appearance as that in the lower part of the mine it did not produce as much. It was estimated to be worth net, for shipping, $100 a ton, but it turned out to be ore that was not rich enough for shipment, and it was sold on the spot at prices varying from $70 to $100 per ton. That would account for a portion of it. It was reported first-class ore. Nobody can tell to an absolute certainty the quantity of ore of any kind of mineral, nor the quality of it, beyond the point of his pick.

Mr. HEWITT. I have listened patiently to all this story, but I say that a statement of the ore in sight is a thing that could be verified, and you believed it when you made the statement of it in this prospectus under your name.

The WITNESS. I believed it.

Mr. HEWITT. Of course you believed it. Then I ask you now if you can account for its disappearance?

The WITNESS. In no other way than as I have accounted for it. I am as ignorant of the later working of the mine as you are, and perhaps more so. You seem to be better posted about it than I am.

Q. You have stated that this quantity of ore was in excess of the regular and probable yield of the mine?—A. Yes.

Q. In your speech to the stockholders at the meeting of March 7, 1872, is this paragraph:

Now as to the future. Mr. Willyams's report says we are taking out 40 tons a day, and can largely increase it if desired. It is not desired. We can save £10 a ton, or 12 per cent. dividend, if we can smelt these ores there. In other words, it costs £10 a ton to transport them here. I am satisfied the ores can be smelted there. Mr. Willyams being a smelter, and having smelted these ores, can form a judgment; therefore we do not desire to send any more over, because we are losing £10 a ton on every ton if they can be smelted there.

There can be taken from that mine 100 tons a day, and never has a mine been worked in the way this mine is worked and given out. I am satisfied the ore will hold out, and if I had a guarantee, I would hold out as long as the ore will; I would not want a better life-insurance.

A. Yes; that is all true as I looked upon it then.

Q. And yet you say you had previously warned the directors that they could not expect to take out 70 tons a day?—A. Permanently.

Q. Does not this paragraph mean that the mine is capable of producing 100 tons a day and that as long as you live?—A. Yes; but not with the present adit there. I explained that in my report. In reporting speeches at public meetings reporters often make errors and omit matters that might explain other parts of the speech. Now, that 100 tons a day could be taken out so long as the ore was there was a certainty, because it had been done. If the adit was not sufficient to do that and continue to do that, of course another adit could be run into the mine.

Q. You have testified that the largest production was at the rate of 75 tons a day?—A. That had been done continuously, but not for any length of time. I explained to the meeting what we had to do and the manner of our getting out this ore. I said that we had but one adit by which we had to get lumber in and to run out all the ore and *débris*. They did not rely on my statement. They relied on the statement of Professor Silliman, and afterward of Mr. Brydges-Willyams, and afterward of Mr. Anderson.

Mr. HEWITT. You did, however, make the statement that the mine would yield one hundred tons a day as long as you lived or were likely to live. That is an assertion that the mine was going to last forever.

The WITNESS. That is a mere statement of my opinion.

Mr. HEWITT. I take it in connection with the statement which you made in the prospectus that the mine had yielded seventy-five tons a day of first-class ore for four months, which is at the rate of £700,000 a year. At a meeting held within three months afterward you make this other statement, and, putting the two together, I do understand that you said that the mine was capable of yielding one hundred tons a day continuously so long as a man would be likely to live.

The WITNESS. Without making any specific complaint I think it unfair to take a single clause out of that speech, which was perhaps half an hour long, and hold me to an opinion expressed by me, of the correctness of which others could judge as well as myself. If you will allow me to read a little further in this speech you will see what my idea was. [Reading.]

I represented him and the vendors, and when these reports were made I began to question whether I was not a great rascal, and therefore I said I won't sell a single share until you verify the statements by sending out some gentleman the English shareholders have confidence in. I went so far as to volunteer to pay the expenses of every member of the board if they would go. The gentlemen on the board were economical about paying Mr. Willyams's expenses. I had to step in and help, as I was anxious to show whether I had been cheating the public. What is the result? Mr. Willyams has gone out; he has made his report; he took Professor Silliman; his company had been smelting the ore for some time; he had a perfect knowledge of the ore and its value; he had an acquaintance with mines; he was the man on the board peculiarly qualified to go out. There was another mine in the immediate vicinity of this, that I thought it very desirable to buy, if it was as it was represented to be. I wanted to know about that mine, and therefore Professor Silliman was induced to go with Mr. Willyams. One fact the chairman did not fully explain—the telegraph. This was done by a key. The word Albany was, The mine looks better than when Professor Silliman reported. One word said, The mine does not look as well. In giving Albany he gives the extreme. The word Apple was, New explorations since Professor Silliman's report show large quantities of ore in addition to that then in sight. Another word, That the new explorations did not show more ore; and then again another word, There has been shipped three thousand six hundred tons of ore. Then, as to the second-quality ore, the question asked was, Is it fully equal in quality and quantity to the statement in the prospectus? The answer was, yes; adding the words, "and more." The ore is just as easily worked as a sand-bank; a man will run in twenty-four hours a drift of 20 feet. Mr. Willyams has gone, and before he went he said if any man has shares in the Emma Mine and loses his money, he will blame me. Mr. Willyams's report is satisfactory, and if this report be true, as made by Professor Silliman, then the mine is proved to be worth much more now than when Professor Silliman made his reports. I think I am justified in stating now that everything that has been stated by the vendors has been fully verified, and more, by the report of Mr. Willyams.

Q. I am putting your remarks in connection with the statements in the prospectus, and, after listening to all you have said, it has not changed my view that this is a statement of your belief and assurance that that mine would yield one hundred tons a day continuously for an unlimited period of time.—A. I want to say here and now that I believed everything I stated on both of these occasions.

Q. Can you tell me the date when you modified your contract with Albert Grant?—A. I cannot; it was during the time that Brydges-Willyams was absent.

Q. That is, you say it was prior to this meeting of the 8th of March?—A. It was during his absence. He was absent longer than that; I could not fix the date. When it was done it was done with a view of selling the 8,500 shares. They were put on the market in April, so it was before the 1st of April, and I should think perhaps some time in the month of March or the last of February.

Q. Have you a copy of that modification?—A. No; I have looked for it, but do not find it among my papers.

Q. Can you tell what it was in substance? You say these clauses

which I interrogated you about yesterday were omitted; what was the substance of the modification?—A. My impression had been, if I had been asked without looking at Mr. Grant's account, that, in consideration of the cancellation of those provisions in the first contract, which is in evidence, I agreed to pay him a proportion for his commissions on the sale of the last 25,000 shares of what should be received beyond par.

Q. Half the premium?—A. That had been my impression; but I find from Mr. Grant's account, which embraces every transaction I have ever had with him, that I am charged only with £1 a share, and that on 17,600 shares only.

Q. You have no recollection of a bargain to substitute £1 per share for half the profits?—A. No, sir; it seems from his account that I agreed to give him arbitrarily £1 per share. You must bear in mind that this is five years ago, and I have had a great deal on my mind since that time, and have been in ill-health since that time.

Q. The modification is a very important one from the fact that you have testified in a general way, and I suppose your accounts show that those shares brought a very large premium?—A. I want to explain to you about these shares and the premium on them. It has been suggested here and elsewhere, that there was a telegram, a cable dispatch, sent by Mr. Willyams, Hussey, and others on the 5th day of April, 1872, and that after that, (I believe it has been testified to,) and on the strength of it, the shares advanced very rapidly, and I seized that opportunity to sell out my shares; and the inference has been sought to be drawn that that cablegram was sent for the purpose of advancing the shares, and probably by my procurement, so that I might unload my shares at a big profit and step out. If I had been asked three days ago when I sold my shares I could not have answered, but I can answer now positively, that from the time that cablegram was received I did not sell a single share of stock before leaving London.

Q. Do you mean that you could have sold, but did not sell?—A. I want to show you how I have ascertained it. I have ascertained it both from figures and dates. Mr. Willyams made his report in the first instance. I said I would sell no shares until after that report was made—told the meeting so and the directors so. Mr. Willyams made his first printed report on the 29th of February, 1872. That was received in London not earlier than the 16th of March. It further appeared, as I read it from Mr. Lyon's testimony, that there was a jump in the stock after this telegram of the 5th of April reached London. It must be borne in mind that this telegram, whatever telegram was sent, was received on the 5th of April, after Mr. Willyams's written or printed report was received. That report was received as early as the 15th or 16th of March by regular course of mail. March 2 the shares stood at 19½ to 20½; March 9, 20½ to 20¾; March 16, 20 to 21. These quotations are for the period between the 9th and 16th of March, and the report would not have arrived there in regular course of mail before the 16th, but between the 16th and the 23d, which is the next quotation, it had been received, and then the shares advanced up to 23 to 23½—on the strength of this written report of Brydges-Willyams made on the 29th of February. Now, on March 30, it was still 23 and 23½, and on April 6 it was still 23 and 24, so that this telegram had not affected it then. On April 13 it was still 23 to 24, so you will see from these figures that the market was not affected to the amount of a shilling by that telegram of April 5. The advance was not until a long time afterward, and from March 23, after the receipt of his report, clear down to April 13, it stood just about the same. There was no change until April 20. The 9th of March it got

up to 20½ to 21½; on the 16th March it was 20 to 21; then comes Brydges-Willyams's printed report, and on the 23d it was 23 to 23½; on the 26th it was 23 to 24; and April 13, 23 to 24, so that for eight days after the dispatch was received the shares had not advanced a shilling.

Q. That is the explanation you want to put in?—A. Now I am going to show you my sales. I said in the first place I would not sell any shares until the report of Mr. Willyams was received. That was received on the 16th, 17th, or 18th of March. Now, of the last 25,000 shares, March 14, on Mr. Grant's account, I am credited, at £20 a share, with 167 shares sold. Those were shares that were sold previous to March 14; between that time and the previous settling-day. Again, on his account, March 27, I am credited with 1,513 shares, at £20 a share, sold; and on April 12, 2,710 shares sold on the 27th March; and April 16, 7,324 shares, which were sold at an average of £23 10*s*.

Q. This April 16 is the settlement-day in London?—A. Yes, sir.

Q. How about these 7,324 shares?—A. I say that those 7,324 shares were sold previous to April 5. There had been sold and delivered 5,400 shares to cover certain amounts that had been sold at private sale, and 8,500 that were sold to the shareholders. Now, then, we divided in final settlement between Mr. Grant and myself, of what were left, 798 shares each, or 1,596 shares between us. That makes, in all, 27,856 shares. This statement [showing statement] shows the disposition of all the shares previous to April 5, with the exception of the 7,324 shares that are reported in Mr. Grant's account as sold previous to April 16. I want to give you two evidences that those were sold previous to April 5. They brought £23 10*s*. a share. Previous to April 6 the shares sold at 23 to 24. These sold at £23 10*s*.—just the average. If they had been sold later than that, and after the rise, it would be clear up to April 20, which is past the 16th, so that the figures would show that they were not sold between those dates, but previous to the 5th of April. I remember that on the Saturday that the books were closed—if I am wrong in this it is very easy to contradict me—in the morning, which was before the telegram referred to was received, Mr. Grant reported to me the quantity of shares he had sold. I did not know he was intending to sell them at that time, and he sold more than I intended he should sell, because I intended to keep from 8,000 to 10,000 shares, and after he had reported the 7,324 shares sold I requested him to make no more sales, but to divide the balance of the stock; and this left me with less stock than I desired to hold on leaving London, and the consequence was that I purchased the stock after that advance in the last of April. I purchased other shares at as high as 27½, because he had sold more than I intended he should. As I say, he sold for £23 10*s*., and I purchased shares at 27 to 27½, and I know one lot I purchased as high as £30, which was 50 per cent. premium. That was just before my leaving for America.

Q. How many shares did you buy at that?—A. Only one or two hundred shares, but I bought quite a lot at 27½; and when I left, I left with 5,400 and some odd shares; intending to have left, as I said before, with eight or ten thousand shares; but the market went up so high that I did not purchase. I remember distinctly that Mr. Grant closed out those shares the week those books were opened and before this telegram could have been received; and the price, too, shows that they were sold about that time. Mr. Grant's books would verify it if they could be produced, but the price on the market would indicate that, and I remember the fact distinctly.

Q. You remember the fact that they were sold out before the report

of Brydges-Willyams was received?—A. No, no; before the 6th of April; before the dispatch of Hussey and Willyams.

Q. Had not there been a report?—A. The report of the 29th of February.

Q Had not you telegraphic dispatches prior to that?—A. Not that I remember.

Q. I will have to refresh your mind by the meeting of the 8th of March.—A. O, yes, there was one before that meeting. I don't know but there were others. There were weekly dispatches from the mine during the whole time, giving the output for the week. Whether Mr. Willyams was there or not, Mr. Hussey made weekly reports.

Q. Here is the statement of the chairman:

We are satisfied the title is perfect to the mine. The wire tramway, smelting-works, and other mines are under consideration. That is a telegram we received on Monday. To-day we have another: "Important development and discoveries just made in new ground, entirely confirming last report." (Cheers.) Now, gentlemen, these telegrams, I dare say, will require a few words of explanation, in order to give you their money signification.

So that the telegram on which you and he had agreed had been sent and received in time to be received at the meeting on the 7th of March. If you look at the report of the meeting, you will see on the 3d of March it was selling 19 to 20; and on the day after the meeting they went to 20½ to 21½, and they remained there 20 to 21 until the printed report came, and then they rose to 23 to 23½. It seems that the stock you sold was not sold until this meeting on the 7th of March, and then the stock began to be sold, and in the quantities you indicated. Now I want to ask you whether the effect of selling a large quantity of stock would not be to prevent its going up?—A. The effect of the sale of a large block of stock would be to keep the price down.

Q. According to your statement, you were selling the stock between the 9th of March and the 6th of April, and it could not advance while that stock was being offered. The last of it was sold prior to the 6th; we will assume that; and immediately after that stock was sold it jumped upward—is not that the result of the withdrawal of the supply of the 25,000 shares?—A. It may have had some influence.

Q. Is it not almost undisputable that when the stock is supplied right along and everybody can get it at a price, it cannot be got up higher?—A. That is evident.

Q. Is it not evident that as soon as that influence was withdrawn the stock did go up at an advance?—A. Yes; what I wanted to say was that the stock sold was sold previous to the receipt of the cablegram.

Q. To that particular cablegram?—A. Yes.

Q. But subsequent to another cablegram which had been received at the meeting of the shareholders?—A. O, certainly

Q. Mr. Grant took advantage of this reaction in favor of the stock to sell out this stock, and did sell it out.—A. Yes; I referred to this particular dispatch of the 5th of April, because there seems to be some misunderstanding about what the purport of that dispatch was. I understood that dispatch, and the directors did also, as referring that $2,000 a ton to a picked specimen.

Q. I prefer to establish this telegram so as to show what the effect would be. The chairman said:

The expenses of working the mine are not in excess of the representations made. There is being taken out now forty tons a day, which can be largely increased if desired. There is sufficient timber near the mine to timber the mine in future if desired. The company can produce the quantity of ore estimated in the prospectus. We do not find anything that does not fully come up to the representations of the vendors.

What was estimated in the prospectus?—A. I do not know, unless it was 70 tons a day.

Q. Now, then, upon that the stock seems to have rallied at once, and then Mr. Grant seems to have gone to work to sell your stock. I want you to couple that with the change in your contract. He sold the bulk of this stock at £20 a share. Of course, under the original contract, he could get no profit out of that. Was not that the reason that you gave him the pound per share instead of profits, because the great bulk of it was sold without premium?—A. I beg your pardon; not the bulk of it.

Q. Here is 2,710, 1,500, and 5,000, sold at £20 a share.—A. Those he got more for, but he only credited me with my £20.

Q. Then you have only accounted for the sale of 7,324 shares, and your statements about your previous stock not having been sold out in advance, go for nothing?—A. I have given you the facts, sir.

Q. I will call your attention to it again. Your first sale of reserve stock is on the 16th of April, which is 7,324 shares; that took place between the 2d and 16th of April. The telegram was received on the 6th; there is nothing to show that it was not sold immediately after the receipt of the telegram; the stock being 23 to 24 on March 30, and it might have been anywhere between the 30th March and the 13th April. —A. I show the sale of 23,000 out of 25,000, according to the figures.

Q. Well, but these previous £20 shares are evidently the 5,050 shares. —A. Yes; they just match.

Q. And more, the fact that they are all entered at £20; they were taken at £20 and sold at £20?—A. Yes, sir.

Q. That leaves 2,200 shares still unaccounted for?—A. Now, then, the difference between those that I have mentioned and the 25,000—a portion of the difference—is accounted for certainly in the fact that that 8,500 shares was really more than 8,500 shares. To satisfy some parties who supposed they were ill-treated, we gave out so many shares to them; I did that to accommodate them—500 to 600 shares, and to get them to help us; that comes pretty near the 25,000 shares.

Q. Still the fact remains that the actual sale of the reserved stock took place to the shareholders and to the public somewhere between the 2d of April and the 16th of April.—A. 7,324, most of them, had been sold before.

Q. It is the first sale, that is on the 16th of April, 7324 shares?—A. Those 8,500 were sold previously, and these 5,400 were sold previously.

Q. The sale of what you had left after that took place between the 2d and the 16th of April?—A. I say all of those were sold previous to the 6th of April.

Q. If they were sold previous to the 6th of April, it does not alter the case, particularly; they were going upon the market.—A. My only object in speaking of that is, this dispatch, about which so much has been said—I sold none after that was received, and of course there could not have been any object in deceiving the public by means of it on my part.

Q. But you had begun selling previous to that—after the dispatch came?—A. Yes, and refused to sell until we got the dispatches.

Q. You sold all out between that and the 19th of April?—A. Yes; but I brought away 5,400 shares that I owned when I came away.

Q. Those you bought in?—A. Yes, sir; a portion of them.

Q. Now, I want you to recall the circumstances, if you can, under which you agreed to pay him £1 per share in lieu of half the profits.—A. I cannot account for it except that it is on the account, and all

the transactions I had with him are on the account. I assume the account as correct. He would not make it out against himself, and every transaction he had with me, to the amount of a penny, is in that account.

Q. In regard to Mr. Stewart's action in New York, when did you receive this contract?—A. I never have received it yet. I had a copy of it by the first mail, I should say, after it was executed.

Q. It was executed, I see, on the 9th of December; you probably had that in London by the first of January?—A. Probably; I have no recollection of it, but I presume I did.

Q. Will you tell me whether all the persons who agreed to sell you the stock in that contract did so *bona fide*?—A. Yes, sir; the contract was a *bona-fide* transaction.

Q. So much so that you became, at your option, by paying the $50 a share therein provided, the owner of all their reserved stock?—A. Yes, sir.

Q. That applied to General Baxter and Mr. Stewart as well as the rest?—A. Yes, sir.

Q. You had no understanding that they were to have any private profits out of any profits you might realize out of the operation?—A. There were two understandings, which I will explain. Before Mr. Stewart left there he had the right, the option, to purchase the Lyon interest. If the contract made in New York was satisfactory to me I agreed to advance the money to complete that purchase, and in that case I said to Senator Stewart that in case he settled that with the parties in New York I was satisfied; but I would not take the responsibility of settling it myself. I would do what was fair to him and satisfactory to them. I did not know if the contract was made that Senator Stewart was going to sign it. He did sign it, and of course, legally, I held it; but I acted on my previous understanding with him. Then, as to General Baxter, so far as the sale of the stock went, it was settled finally according to this agreement and General Baxter signed the bond, which was another matter.

Q. Did you regard this as a purchase of General Baxter just the same as it was of Mr. Walker and others?—A. Yes, sir; all alike except in those two particulars I have mentioned.

Q. Now, then, acting under this contract, you actually did dispose of all the stock that belonged to these people prior to the 16th of April?—A. I actually sold it or took my option.

Q. As far as that was concerned the thing was all closed by the sale of the stock prior to the 16th of April, 1872?—A. I want to state another little understanding with these parties so as to make the matter clear. Before I left, General Baxter had been opposed to selling the stock and to putting it on the market; but before I left General Baxter was willing and wanted I should bring back a portion of his shares, and, therefore, I always intended to bring a portion of these eight or ten thousand shares back for him and a portion also for Mr. Stewart, because Mr. Stewart, after he went, had cabled me, in February, to hold all the shares I could for him. When I came back with the 5,400 shares I wanted to know what they wanted, and it was finally settled that I should take the whole and close it out; and I did and paid them their money; but there was a request and an understanding that I should bring back stock for them.

Q. You mean when you originally went out?—A. Yes, and Mr. Stewart cabled me in February for shares, knowing he was going to have something out of it in stock or money or something else.

Q. Now, if you will turn to page 37 of Lyon's testimony, in the circu-

lar which you issued on the 22d of April, what contract do you refer to for the mine?—A. The one with Mr. Lyon.

Q. At the date of this circular that contract with Mr. Lyon had been passed over to Mr. Stewart for $150,000?—A. Yes.

Q. There was no necessity then arising out of that contract with Mr. Lyon for making this contract with these other outside stockholders?—A. Yes, that is one of the very points there was a necessity for.

Q. If Mr. Stewart had already arranged with them to give 5,000 shares in lieu of it, that took the place of the contract?—A. Yes, but he could not make that contract unless he could get the money from me, and I would not advance the money unless some arrangement was made by the other owners with him. I said, I will advance the money provided such an arrangement is made with the owners on the other side, and then he came home to see if such an arrangement could be made.

Q. He came over for the purpose of seeing whether he could close with these people, and if he could not close, the whole thing was remitted to its original condition?—A. Yes, because then I would not have advanced the $150,000.

Q. In the next paragraph, you say besides this $150,000 you advanced very large sums; what were those sums?—A. From the time I purchased the mine in April, 1871, I took the entire charge of the litigation. I paid my own expenses, I paid the expenses of those who went with me, without making any charge on the books. I paid the counsel fees of Mr. Phelps and others, for which I got no payment on the books; I paid Mr. Silas Williams a portion of his expenses on the account, which has never been charged; and then there are my expenses for the two years and other large amounts which I paid on the other side for bringing the mine out, like the £100,000 I paid to Baron Grant.

Q. How can it be said that the £100,000 was paid by you to Baron Grant? Did you advance one cent?—A. Only what came out of the proceeds of the stock.

Q. Was not it their stock as well as yours?—A. Not if I availed myself of the contract I made with them.

Q. But this is an allegation that you advanced your own money; that £100,000 was not out of your money?—A. No, sir.

Q. Did not General Baxter refund to you from time to time from the treasury of the company any of these expenses?—A. No, sir.

Q. He never sent you any money at all?—A. No, sir. I could have called for it out of the general fund, but I never did get money and these expenses were not paid until I came back.

Q. Then you voluntarily advanced it, although you had the right to go and get it back at any moment?—A. Yes, sir.

Q. Then it was simply voluntary; you did not choose to settle your bill?—A. Certainly, and this settlement settled it all.

Q. But it was not a case of a large sum of money you wanted back, and could not get, and had out on risk?—A. Certainly not.

Q. For everything you did advance, all you had to do was to render your bill and get it from the treasury; what else did you advance?—A. Nothing, except the advance that was made in London, all of which, besides the guarantee of title, were taken into consideration.

Q. Now, you guaranteed, as you have testified in your direct testimony, that the patent of the United States was to be given?—A. Yes, sir, and convey the title.

Q. Did you guarantee against any outside litigation?—A. Yes, sir.

Q. What outside litigation was there?—A. I think there were three suits, and certainly there were two; one was begun after the patent was

issued, and I employed counsel and went out there about that on my own expense. There are yet one or two suits that I am under obligations to defend and see the company free from.

Q. But the guarantee itself, what did that say?—A. The guarantee embraced the present litigation as well as the title.

Q. You answered on your direct examination that you regarded the claim of Lyon as worthless.—A. Yes, sir.

Q. But in this circular you speak of it as formidable; how is that to be reconciled with the fact that you regarded it as worthless?—A. It was formidable as enabling us, if he withdrew it, to get a patent; and if he did not withdraw it, to prevent our getting the patent.

Q. That is to say, formidable, because it annoyed you?—A. Yes, sir, and as an obstacle in the way of our getting the patent.

Q. In the next paragraph you say, "General Baxter and Mr. Stewart are large owners in the shares."—A. That I have explained.

Q. You have explained that you had sold those shares prior to the 5th of April; this is dated the 22d of April.—A. I had sold all those shares I had except the 5,400; I intended to bring back eight or ten thousan shares, but the stock went up on me, and of those shares I intended to bring back to Mr. Stewart and to General Baxter each one-third.

Q. Are you not mistaken about Senator Stewart, for he said that he had no shares at that time and did not intend to have any?—A. He is mistaken; he joined me in the purchase of shares at Salt Lake.

Q. The question is whether Baxter owned a single share except his qualification shares as director on the 22d of April; did he hold a single share outside of those qualification shares?—A. I regarded it as such, because of his request to bring him back a portion of the shares.

Q. Did you regard Senator Stewart in the same way?—A. Yes, sir; may I be permitted to ask Senator Stewart a question?

Mr. HEWITT. Certainly.

Mr. PARK. Mr. Stewart, did you request me or not to hold any shares for you?

Mr. STEWART. I did.

Mr. HEWITT. How can you reconcile that, Mr. Stewart, with the statement that you have made over and over again that you had no interest in the shares, and did not intend to have any?

Mr. STEWART. I made that statement a good many times. This is the fact. When I left there, it stood just in this way: when I left Mr. Park, before the contract of the Lyon interest was perfected, I offered to let him have an interest in with me. Without saying whether he would do it or not, he said if this arrangement was made in New York, he would advance the money. So the assignment of the interest was taken from Lyon. Then I made the contract in New York. Lyon's interest was bought. I signed the contract of sale to Mr. Park. I did say to Mr. Park, when I saw him there, what he has stated, and I telegraphed to him (which I omitted to state before) that I would like to retain some of the shares, but having sold out to him, it stood in his discretion. When you asked me before, I said I did not know that I had. I would like to have had an interest, but the whole thing being left to him, I could not say that I had.

Mr. HEWITT. Mr. Park, were not those shares representing the 5,000 shares of Senator Stewart all sold by April 22?—A. Those identical shares were. Even if they had all been sold, as he had requested me to keep as many shares as I could for him, I intended to give him and General Baxter the option of one-third each of the shares I brought back.

Q. And those shares you held were held in pursuance of an under-tanding with them that you were to have shares for them?—A. Yes, ir.

Q. What do you mean by saying, "Both General Baxter and Mr. Stewart are large owners in the shares, not subject to a contract with ne or any one else?"—A. Not subject to any contract of sale.

Q. The shares that he wanted you to reserve were the identical shares hat were subject to a contract?—A. There was no speaking of identical hares; it was shares.

Q. There were the 5,000 that Stewart had, and the 7,000 that Baxter ad, and they were all you said they had, which were the subject of a ontract with you; those particular shares had been sold, although you ay you had taken some of the shares, and although in this circular ou say, "Both General Baxter and Mr. Stewart are large owners in ie shares, not subject to any contract with me or any one else, which iey intend to hold permanently?"—A. I might have stated that was ie arrangement and the agreement and expectation, but legally they ere my shares if I desired to avail myself of it.

Q. As between you and these shareholders you were addressing, you ay Park and Baxter were the holders of shares which were outside of any ontract with you; that means, in my view, that they had shares which they ad bought and paid for and held outside of you.—A. It was stated at ie meeting that they held only 25,000 shares in their own names.

Q. You say, "personally I am a large holder of shares;" now you say ou took 2,000 of those shares and 798, making 2,798, back from Grant; f course you did not purchase them at a higher price?—A. I did not ay the pound a share on them. I did not say that I had purchased iem all, nor did I consider it of importance. It was a contract between ie and my co-owners, with which they were satisfied at the time. If I as not very precise in my words, nobody could be affected by it. I did ring away with me the largest amount of shares that was owned by ny one, two, or three persons. We three, Baxter, Stewart, and I, were ie largest owners in the mine when I left.

Q. You mean each held one-third of the 5,400 shares?—A. I do not iink there was another holder that had an amount equal to one third f 5,400 shares.

Q. But you have testified that 2,000 belonged to Brydges-Willyams. —A. They were subject to a call by him.

Q. In the event of a call, he could have them?—A. Yes, sir; but I in-ended to pick them up on the market. Shares were bought by me fter that through Mr. Gager.

Q. Did you have any calls outstanding besides this one of Brydges-Villyams?—A. No, sir.

Q. How soon did Mr. Gager sell any of these shares after you left?—. It was in June after I left.

Q. After the cave?—A. Yes, after the cave.

Q. How do you reconcile that with the statement in this circular: "I m personally a large holder of shares, all purchased at a higher price ian I sold for, and intend to continue so permanently?"—A. I did in-end to hold them permanently, and gave instructions to Mr. Gager not o sell them without orders from me, and he sold them on his own re-ponsibility while I was on my way to America. He sold them at a great acrifice, and I bought them back while I was at Salt Lake, at a consid-rable advance. I lost over $40,000 by the turn, after the cave.

Q. Did you leave any discretion with Mr. Gager to buy and sell hares?—A. Yes, sir; not in selling, but in buying. He was not to

sell those he held. Those were to be sold only on positive orders from America, after I arrived home.

Q. When Mr. Willyams ordered 500 shares, and again 500 shares, who supplied that stock to Mr. Willyams?—A. That is a question that has puzzled myself. I found £8,050 received on his return. That was a part payment from him, and probably I delivered them. That was not the exact amount for 500 shares, but it was on account of that. If he had paid me for the whole thousand I would have had necessarily a larger deposit. The other 500 I am under the impression were purchased on his account, and he relieved me of them on his arrival from the broker there.

Q. Did not you find 500 shares in Grant's account delivered to Willyams?—A. Yes, sir.

Q. Does not that account for them?—A. That would be the 500 he paid me for, probably.

Q. You supplied him with them?—A. Yes, sir.

Q. At what?—A. I think one 500 of those I supplied him with I supplied at par. They were about par when I received his order. I consulted with the board about it. The others were purchased at £23 10*s*., I think.

Q. That was out of your reserve stock?—A. Yes, sir.

Q. The date was when?—A. The date I could not remember.

Q. Can you not tell by looking at the account?—A. No; I believe the account does not state the date of those deliveries.

Q. When the first lot was sold, they were selling from 19½ to 20½?—A. Yes, sir; I let him have them at 20. I did one of two things, I think: I either purchased them through a broker and he took them from the broker, or else I subscribed for them in his name at the time of the allotment, and he paid the company for them. My impression is now I subscribed for him and they were allotted to him.

Q. You stated in one of your addresses before the meeting of the shareholders that if Brydges-Willyams made a favorable report you would be the greatest gainer, because you had the largest amount of stock?—A. Yes, sir.

Q. When you made your bargain with Mr. Willyams to give him a call for 2,000 shares, did not you consider that a very effectual method of securing a favorable report?—A. No, sir; I should have considered it a very effective method of getting a report unfavorable if the truth was unfavorable. He would not want a man's shares at £20 a share, unless the mine was a very good one.

Q. At the time he called for them what were they?—A. Twenty-eight, I think.

Q. And he took them at 21, which gave him a profit of £7 a share?—A. Yes, sir; let me explain this. This was done by Mr. Gager. I stated in my direct examination that I extended the time beyond the thirty days after my return and until Mr. Gager was about returning to America himself, when I wanted the transaction closed. Mr. Gager says they were transferred to him by Baron Grant at Willyams's request when they were 21, and that Baron Grant sold them out on joint account for himself and Willyams, so he made but little profit on them. Mr. Gager wanted to make a remittance to me, but Mr. Willyams did not have the money to avail himself of this call, and was taking his time, hoping the shares would advance. Afterward Baron Grant made an arrangement with Mr. Willyams by which he kept them; and a loan of £15,000 or £20,000 which had been borrowed was canceled, and they paid Gager the difference.

Q. Did not Mr. Willyams say he would take the stock when he first came back to England?—A. Yes, sir.

Q. And then asked for time?—A. Yes, sir.

Q. Do not you think that giving a man a call for stock was an additional inducement for him to make a favorable report from the mine, after paying him £5,000?—A. No, sir; I think it is right the reverse; I think if he found the property a bad property, the call would not be of any value to him.

Q. But if he could make a favorable report, and put the stock up as he did by a favorable report, would not it be sure that he would make a profit by it?—A. Yes, sir; if he made a false report.

Q. Was not it a great inducement for a man to make a favorable report?—A. No, sir.

Q. Why did you offer him the call at all? Did you offer it, or did he ask for it?—A. I have forgotten which it was.

Q. Why did you offer him a call at 20 for a stock which might be worth £30 a share?—A. I first offered him the call to go out, which I told him would be worth more than £5,000; he preferred to have his £5,000, and then take the call; if he made any money on the call he would return me the £5,000. He gave a check to Mr. Gager for the £5,000, as I am informed by Mr. Gager, and afterward, the shares having gone down so that he made nothing out of them, he said he would leave it to me if I collected it or not. When he gave the check he expected this profit on them, but when he finally closed them out, not making any profit, Mr. Gager gave him back the check without any instructions from me.

Q. Were you present at a meeting on the 7th of March, in which Mr. Willyams's telegrams were reported to the meeting of shareholders?—A. I think so.

Q. Did you hear the chairman make a statement on that occasion?—A. Yes, sir.

Q. Did you hear him say "they were getting property to the amount of £600,000, and therefore there were only £400,000 of it that was speculative; and over and above that £600,000 known to exist by measurement, it was known a great deal more existed that was not measured, and not taken into account?"—A. I know that he went through some figures, and that he said a large amount of ore could be seen in the mine, and then they paid a large sum for the prospective value of the mine, but what those figures were he gave, I do not know.

Q. Did he say that the estimate of the property they expected to have in their possession by the end of February amounted to £181,300, and that that very sanguine estimate had been very much exceeded?—A. I do not remember about that. I presume he said it.

Q. As a matter of fact, they did not have any £181,000 by the end of February?—A. I guess they had a statement showing that, in ores that were out and in cash.

Q. They did not have the money?—A. He did not pretend to state they had the money.

Q. The chairman says, "We know that the quantity sold out there was between eight hundred and one thousand tons, for which we have been paid £28,000." That was the 1,000 tons which was deficient, and which you know was deficient, because you made a requisition on the 9th of December that they were to pay back their share of it. Did you listen to that statement, and not contradict it in any way?—A. There was a great deal of turmoil and asking of questions. I know I took down, as

nearly as I could, questions by the stockholders, that I might answer them as well as I could. That occupied me considerable.

Q. The chairman also stated that in the first four months of work they had got £240,000. Of course you know now that there was no £240,000 produced.—A. I have said all that.

Q. At this meeting on the 7th of March you made the following statement in regard to Mr. Grant:

Mr. PARK. The question has been asked whether Mr. Grant received £100,000. So far from his receiving £100,000, he did not receive two per cent. on the amount.

Is that true?—A. Yes, sir; that is true, so far as I am informed.

Q. Have not you testified yourself that you paid him £100,000?—A. I paid him £100,000 for his services and to cover all his expenses.

Q. You say at this meeting, "So far from his receiving £100,000, he did not receive two per cent. on the amount." Did not he receive £100,000 in money?—A. Not for his services.

Q. In other words, was there not $500,000 paid to him?—A. There was £100,000 kept by him for his services and expenses.

Q. You say, "So far from Mr. Grant receiving £100,000, he did not receive 2 per cent. on the amount." You do not say anything about for his services, but it is an absolute denial?—A. I do not know how it was reported, but I have stated the truth. All the directors sitting with me knew the exact contract that we had.

Q. In the contract, is not his commission specifically set forth to be 20 per cent.?—A. Yes, sir; including his expenses.

Q. Is not his commission specifically set forth at 20 per cent.?—A. I do not know that the word commission is used; it would be folly talking to any person about bringing that out for 2 per cent., including the expenses.

Q. Was not the £100,000 a commission of 20 per cent. for floating this company?—A. Yes; including expenses.

Q. Did not Grant & Co. receive £100,000?—A. Yes, sir.

Q. Do you think that is consistent with this statement to the shareholders?—A. Yes, I do.

Q. Did not you think that the shareholders could only infer from this statement that Grant did not receive any £100,000?—A. No, sir.

Q. I have read it with the greatest care, and I cannot make anything else out of it.—A. You asked me a short time ago when this arrangement was modified. I think it was the day before the meeting of March 7 that I was in Grant's office, and that matter was being talked over, and Mr. Grant called my attention to the fact that he had not been paid for his services, or anything like it; that the expenses put upon him were more than he had expected, and he had assumed other expenses that he had not expected to pay. He had on his table a figuring of what he had received, and it amounted to some £19,000 odd that he had made net clear off his commission, and it was on the strength of his statement, which I then believed, that I stated at that meeting that he had made only 2 per cent.

Q. What other allowance did you make him?—A. By the modification of this contract, and agreeing to pay him £1 a share on the balance of the shares.

Q. Therefore, you allowed him £1 a share for what you received £1 10*s*. for?—A. The first contract was to keep these shares for nine months, and the question was what they would realize at the end of another six months. Mr. Grant considered the modification of the contract a concession to him, because he could close it all up. I considered

:oncession because it was an agreement to pay absolutely in the
: of the contingent profit that might come out of it at a future
The occasion of this modification being made was that Senator
'ert told me that Grant was very much dissatisfied with what he
received, and that he had a statement of what his expenses had
, and deducting that from the £100,000 left only about £19,000,
Grant said that would not half pay a man for the amount of work
ad done.

You had seen that statement before this meeting?—A. Yes, sir.

How do you reconcile it with this statement that you made at that
:ing, "He never took any risk; he did the work to bring it out, for
h he received a small commission that did not pay expenses?"—A.
said "which did not pay expenses" I was not understood by the
rter. What I meant was he only received £19,000, which did not
him for his trouble. I may be misreported there in that statement;
nk I am. All the directors knew the terms of the contract, and
: were honest men on that board who would have corrected me if
d made a misstatement.

But that is not the only time you have made that statement; at a
equent meeting there is also a statement—it is on page 43:

ıade my settlement with him and he settled with me fairly. Mr. Grant called upon
ıd stated that he had made less than 2 per cent. by the transaction. I had no
'ledge of the verity of these figures that he showed me, but I believe them to be
ct, and I do so now. He asked me for a further concession, which I granted him;
ıccounts for one £100,000.

. Take also this:

took this contract, by an arrangement with them, off their hands, and the mine
o be brought out for £100,000, and it was carried out not by their paying me
, but I was to be paid £400,000 for the one-half, and I was to receive the other in
free from all expenses or charges. After this company was promoted, and the
had been done, and well done, I had an interview with him.

You say "he asked me for a further concession, which I granted
This accounts for £100,000." The concession formed no part of
£100,000?—A. No, sir.

Then you go on to explain about the other £100,000; you say, "Mr.
ıt bought in 5,000 shares, and afterward sold at a premium on my
unt, and I paid him the money, £100,000, and afterward these
es were sold and I received back the money." You have testified
those were taken in the account at £20.—A. They were sold on
ccount and at a premium. He had the premium because he paid
£20, and I had no right to exact more than that.

He had the premium?—A. He had it.

This statement here is the opposite of that. The statement is here
got the premium.—A. The statement is £100,000 for 5,000 shares,
h would be par. It was a slip of the tongue, because I had said
previously I had only received £400,000 for one-half of the mine.

I find here an absolute denial that you paid this £100,000, and
an absolute admission that you did?—A. Why, then, did they not
my attention at the second meeting to what I had said the first
, if there was any misunderstanding about it?

At that time, on the 7th of March, were you the owner of more
25,000 shares of stock?—A. Yes, sir; I never had sold a share.

And you had bought?—A. Yes, sir.

At that time did General Baxter own 7,000 shares?—A. No, sir;
were part of the 25,000. Senator Stewart owned 5,000 and Baxter
). Senator Stewart owned 5,000 under his contract. Mr. Baxter

owned more than 7,000 under his original contract. One-half of these had been sold. Every one knew what each of the vendors' interest was in the property.

Q. Did you not consider yourself the owner of the 7,000 and 5,000 shares which you say Stewart and Baxter owned?—A. They all knew it was a part of the 25,000 shares; they owned their proportion.

Q. Were not you in possession of a contract by which it was made your duty to sell that stock as rapidly as possible, and transmit the proceeds to New York—the contract of the 9th of December, under which you were to remit the proceeds every fifteen days?—A. Yes, sir; if I did sell.

Q. Turn to page 29. How do you reconcile that with this statement: "Both General Baxter and Mr. Stewart are large owners in the shares, not subject to any contract with me or any one else, which they intend to hold permanently." You say they intended to hold these shares permanently. Were you not in possession of a contract which bound you to sell those same shares out?—A. Yes, sir; but then I had this contract with Stewart that I have testified about. That is the explanation of that. I had positive instructions at that time from Senator Stewart to bring him back as many shares as I could, and from Mr. Baxter also.

Q. Why did you go on and sell?—A. No one at that meeting understood me to say that they had 7,000 and 5,000 shares.

Q. I asked you if they wanted you to keep the stock why did you proceed to sell?—A. I have explained that. I intended to bring back 8,000 or 10,000 shares on my account and theirs.

Q. But why at this meeting do you say they intended to keep the whole?—A. There is some mistake in figures there.

Q. Now, at the time you made that statement you had a contract to sell the shares?—A. Yes, sir; I had instructions from Senator Stewart to bring him back as many shares as I could.

Q. You were not obliged to buy back at an advance?—A. No, sir; I brought back 5,400 shares, intending to divide them into thirds. You must bear in mind in this connection that all the time the directors and shareholders knew generally everything in connection with this and the original holdings of the parties.

Q. The point is, you made this statement, "They intended to hold permanently," while you were in possession of a contract which compelled you to sell those shares?—A. That contract was modified by instructions I had from Senator Stewart afterward.

Q. I must put that against Senator Stewart's statement, when he said he did not own any and did not intend to own any.—A. You have heard his statement to-day in respect to that.

Q. You said at this meeting:

Mr. PARK. We organized a company at £500,000, which we offered at par, but we had to sell the whole, and the New York market was not large enough to float a mine to that extent; we did organize our company there, and could have sold shares at par. That was before these recent developments; we wanted to bring out the entire property; and besides interest is higher there than it is here.

Do you mean to say that New York is not a market big enough to float a company with £500,000 capital?—A. Yes, sir.

Q. Did not New York float the Mariposa Mine?—A. Yes, sir.

Q. What was the capital of the Mariposa Mine?—A. The capital was ten millions of dollars.

Q. Was New York big enough to float that?—A. Well, New York is not a mining city. San Francisco is smaller than New York, but it is more important for mining. The two great mining marts in the world

ıre San Francisco and London. It is not the size of the city, but it is ;he class of dealings in the city that must be considered. It would be ıbsurd if I said New York could not float a mine because of its lack of ɔopulation or wealth.

Q. Do you not know that many mining companies have been organzed in New York? I have given you one—I will also give you the Quickilver Company?—A. I do not know what that was.

Q. Now you say "We did organize our company there, and could have ld our shares at par."—A. We had offers for shares in New York, but ɜ wanted to keep the property intact where we offered it.

Q. You stated in your direct testimony, in regard to the issue of the ɔspectus, that that was done by the directors, and that they are reɔnsible for that, and not you?—A. Well, I do not want to shirk any ɜponsibility, but I was not there, and I never saw the prospectus, to ad it through, until after the subscriptions had been made. The last ne I was there they had not got through correcting their proof, and en it was put out, and on subsequent examination I found the figures ɜre all correct.

Q. It was not put out on your responsibility?—A. No, sir.

Q. It says here, "These shares were placed entirely upon my repreıtations, which have since been verified." Is that true?—A. Well, y representations as to the most of it; you will find a great many disepancies in my statements at the meetings, the same as in a political ɔeech.

Q. At that same time you offered to take back the shares of the comıny from any one who chose to sell them at par?—A. Yes, sir.

Q. Did you know what the market-value of them was?—A. The quoıtion of March 2 was £20; my impression was it was about par.

Q. Then, any man could have sold them in the market at the price ɔu offered to pay for them?—A. He could not have sold any large ;ocks without breaking the market.

Q. You regarded Mr. Stewart as the owner of those 5,000 shares that ɜ took in New York, and that you purchased those shares under that ɔntract when he signed it?—A. I regarded him as the owner of whatɜr they agreed to give him there. Mr. Stewart testified, which was ue, if he became the purchaser of the Lyon interest, I had the right take an interest in it. Inasmuch as I had that right, I did not want take the responsibility of fixing the amount. I left it to the New ork parties to fix the amount. Therefore, I wrote a letter saying that ıy settlement that should be made with Mr. Stewart for this I would ncur in, and referring him to them. Then, when I came to settle with ɜnator Stewart afterward, he would have been entitled, under this conact that I had made with him, to only $100,000; but when I met him, hich was some months afterward, and when I had sent for him to come ıt to Salt Lake and help me in this litigation, we made a settlement—ıat is, we jumped it off, on condition that he would give his profesonal services in any litigation I might get involved in about that mine, ıd he has since done so.

Q. Senator Stewart did really have the benefit of the Lyon interest? -A. O, yes; of course, under his purchase.

Q. You never had any question on that subject—that he was to have ıe benefit of the purchase of the Lyon interest?—A. He was to have subject to this agreement that he had made with me.

Q. But did you intend to take those shares from him at $50 a share r not?—A. I intended to do just what I agreed to do when he came ıt, but I did not know that he would sign the contract.

Q. He says he had no agreement before he went out.—A. I say so too.

Q. Then what do you mean by "what you agreed to do?"—A. That I would concur in anything they would do as to the number of shares, and in my dealing with him I would deal fairly as to those shares, so that it would be satisfactory to him. We made a jumping settlement afterward, which embraced also the services that he should render to me to make good my bond to the company.

By Mr. BARNUM:

Q. At the time those 5,000 shares were allowed to Mr. Stewart as Lyon's interest, was he the absolute owner of those 5,000 shares?—A. They were given to settle the Lyon interest, and he was the owner of them.

Q. But did those 5,000 shares actually belong to Senator Stewart at that time?—A. O, yes; there is no doubt about that.

By Mr. HEWITT:

Q. In the meeting of the company before you left for America, I believe it was the 8th of May, in your remarks you say, "There never was a mine discovered in the world that they have followed the vein to the depth they have followed this and to this extent, that it has turned out to be a pocket or a deposit, and if this is one, then it is an exception to any mine ever discovered in the world." That is one of those statements which I suppose you made in a broad way, without really much reflection or much consideration?—A. I will tell you what my information was. I had that information from a consultation with as many, I presume, as twenty-five experts in mining and engineers, in which they had expressed that opinion; and I never have read or heard anything since to the contrary. I made the statement believing it to be true, and there were many scientific men present who would have contradicted me if it were a misstatement. As you say, it was a broad statement, but it was a statement that I believed to be true, and I believe so still. Mr. Nancarrow and Mr. Sewell, who had traveled extensively in Chili, and had visited Mexican mines, told me this before the mine was developed half so far as it is now; and they gave me a case of a mine like this that had been abandoned for a generation, and then they had sunk down again and found ore, that they have been working for one hundred and fifty years. If there is one exception to the statement I made I would like to be informed of it. I made it from my own observation and reading on the subject, and from my talk with scientific men: and I still believe that a mine that had been opened up 400 feet laterally on what appeared to be a true vein from the outside surface indications, and 400 feet in depth, had never given out. The Comstock Mine was supposed to have given out at different points, and they sunk down 100 feet or so, and they found the ore again. The Flagstaff gave out, and at about the same depth, and they are now working it at 1,000 feet in depth, and they get the largest body of ore they have ever got.

Q. As a matter of fact we know from testimony that is before us that all the ore that was in sight was worked out within six months.—A. I do not know that, but that statement was predicated, of course, upon the report of Mr. Silliman and Mr. Willyams. Every shareholder knew I had no knowledge on the subject, and they knew I was talking from the reports that had been made of it.

Q. My object in recalling your attention to these passages was to show one continuous series of statements to the British public as to the enormous extent of this mine, as to its great resources, as to its being

more than was represented in the prospectus, and dazzling them with the physical results that might come out of it.—A. All those statements were based upon reports that were made by their direction, and they had just as good an opportunity to form a judgment as I had, and I stated to them in that meeting that they had the same means of information and knew as much as I did. My offer to purchase the shares at par at that meeting shows my belief.

Q. What was the price of the stock in the market at the time you made the offer?—A. The date of the offer was in July, 1872. July 13, it was from 19 to 19½; July 20, 21½ to 22; August 3, 22.

Q. That offer was made when you were at Salt Lake?—A. I was out at Salt Lake in June and returned in July.

Q. On the 20th of July, which was before your letter could be received in London, the shares were 21 to 22?—A. Yes; but the offer was to be taken at the time I wrote it—at the time I made the offer. Now I remember the shares were 18 to 19 at the time I wrote the letter, because I telegraphed to Mr. Gager to purchase the stock and it was purchased on my account at 18 to 19.

Q. In regard to the Illinois tunnel, you got an injunction?—A. Yes, sir.

Q. The injunction was not appealable?—A. No, sir.

Q. But the question of title was appealable?—A. Yes, sir.

Q. That suit did go on?—A. It went on in October.

Q. Now, I find you writing to Mr. Anderson, the chairman, "The defendants know they have no title, but thought we would buy them off at a large figure." After having made that statement, which, of course, is very strong and earnest, you went back again in October to try the case on its merits?—A. I think it was in October; I went back while Mr. Anderson was out there.

Q. Was the case tried?—A. Yes, sir.

Q. Was a verdict given?—A. Yes, sir.

Q. Had you made a compromise before the verdict was given?—A. An explanation of that is necessary. Between the time we obtained the injunction and the time I went out to try the case, the Illinois Tunnel Company had consolidated with the Emma Hill Mining Company, with a capital of from ten to twenty millions in San Francisco; and the Illinois Tunnel Company had conveyed their title to the San Francisco company between the time we obtained the injunction and the time we tried the case. The Emma Hill Company wanted to make a settlement which would embrace claims outside, as they claimed, of the Emma Mine, and which would be available to the Emma Mining Company, and also would embrace this tunnel. The tunnel we admitted they owned, but we denied that they owned any of the ore. I refused to make any settlement of that suit. I said, "We will have that tried and this lawsuit about the ore settled; but after that is tried we will make a purchase at a certain figure of this tunnel and the outside matters you have." Mr. Anderson negotiated it as much as I did. Two or three cablegrams were sent to London, and they passed a vote for us who were on the spot to exercise our discretion in the purchase. The negotiation was not made with the Illinois Tunnel Company. The purchase was made under the belief that not only were we getting rid of the litigation, but we would also purchase a tunnel that was worth $100,000, and could be made available for another adit to run into the mine, and that it was worth the money for that purpose. Of course, we did not claim any title to the tunnel; and then there were other matters outside that they

had already commenced another suit on. Properties we did not claim were conveyed by this conveyance.

Q. Was any of this the litigation against which you had guaranteed the company?—A. No, sir.

Q. The whole of it was independent of it?—A. Yes, sir; and it was made under the advice of all three, and of the counsel of the company out there.

Q. Turn to page 59; you say, "I could not have made the advance for the purpose of sustaining the market to sell my shares, as I now hold all I held when I made the advance for the December dividend." Did you hold any shares?—A. Yes; 25 shares; and I hold them yet.

Q. But was not this intended to convey a very different impression than that you held 25 shares?—A. O, no; it was a public matter. In October I sold out; everybody knew it there.

Q. When did you come to the conclusion that in consequence of the way they abused you you would sell out?—A. I came to that conclusion in July, because they had put a spy on me.

Q. Having ascertained this fact, you thought you would sell out and have no further interest in the company?—A. You asked me when I came to that conclusion. I decided to go out of it in October. It was by a continual stream of letters from Mr. Gager of the talk there coupled with what I had seen in July. So that in October, after he was continually writing me that no matter what the stock was worth, if he was in my place he would get out of it, I decided to go out of it.

Q. You sold your last interest in November?—A. In October; all the original shares that I left.

Q. You have testified you sold out in October?—A. Yes, sir.

Q. The last dividend was in December?—A. Yes, sir.

Q. Had you any suspicion that they were going to stop paying a dividend?—A. No, sir. The letter of the 28th of November, in which Mr. Anderson told me they would not pay dividends unless they were earned, shows it. If I had had a suspicion of it, I should not have advanced the dividends of the 1st of December, because at that time I did not own a share of stock except the 25 I own now.

Q. Do you not think it a safe thing to sometimes lend a company, even when they do not pay dividends? They had assets.—A. I was informed from Mr. Anderson they would not pay the dividend, if I made the advance, unless it was earned.

Q. Have you any earthly way of explaining how it was that after this extraordinary and admirable show of resources in October, the whole thing collapsed so suddenly?—A. I do not believe it did collapse; there was a large amount of ore taken out in 1873.

Q. But that was second-class ore?—A. No, sir; a good many thousand tons, of which I have not seen any account.

Q. What was done with it?—A. I do not know; they refused to admit me into the mine for the purpose of making a personal examination.

Q. Here is a statement of the money in hand issued on the 29th of April, 1875, in which they state the amount in hand is £3,000; dividends had ceased in December, 1872, and, from that time on, the only thing they got out of the mine was just sufficient to keep them going, leaving them £3,000.—A. I do not know what disposition they made of the money. We attempted to get evidence of that when Mr. Chittenden was in London, and we could not get any evidence of it. They would not give us the information by letter, although they stated they would, and they would not let me into the mine; how, then, can I be responsible?

Q. How can you explain the extraordinary collapse of the mine so uddenly?—A. You see my position. It is impossible for me to have ny information. I still believe it has not collapsed.

Q. You have seen what Mr. King said?—A. Let me say one thing in eply to that. In the fall of 1874, at any rate at the time the attachnent was put on the property, Mr. Atwood, the superintendent of the nine at Salt Lake, told me he was driving a drift then with miners, giving them one-half the ore they took out of the drift for their servces, and did not allow them to break down any ore except what they took out in explorations. If these parties could afford to work a mine n simply running drifts, which is the most expensive part of the work, or one-half of the ore they took out in explorations, it would not be a vorn-out mine; that was what they were working at when I stopped it y the attachment.

By Mr. BARNUM:

Q. You say they refused to let you into the mine?—A. Yes, sir.

Q. You say you were a stockholder?—A. To the extent of 25 shares.

Q. Director also?—A. No, sir; they had accepted my resignation as a irector before that.

Q. What reason was given you for refusing to let you into the mine?—. Well, by orders from the London office, not to admit any one into e mine without an order from the London office. Mr. Sewell has ritten a report on it. He had got permission to go in once a week, nd has written a pamphlet as to what he has observed. Mr. Sewell eported to me what he found, but Mr. Sewell is the only man I know f as having been admitted.

By Mr. HEWITT:

Q. Can you give me the date of your dispatch, signed with your ame, to General Schenck at Paris?—A. No, sir; Mr. Gager will anwer that. I did not know until this investigation commenced that ach a dispatch had ever been sent, but Mr. Gager was authorized to se my name in giving any information that would help General Schenck. was in the city, but did not know of the dispatch.

Adjourned.

WASHINGTON, D. C., *April* 17, 1876.

OLIVER A. GAGER sworn and examined.

By Mr. CHITTENDEN:

Question. You are a merchant doing business in New York, and a ember of the firm of Charles P. Haviland & Co.?—Answer. I am.

Q. Importers of French china?—A. Yes, and manufacturers of china.

Q. Have you been for some years past more or less connected with r. Park in some business transactions?—A. I have been.

Q. Did you go to London in the spring of 1872; if so, at what time id you arrive there?—A. I went there in the spring of 1872, arriving London on the 15th of April.

Q. Was Mr. Park then making arrangements to return to the United tates?—A. I do not know that he was making arrangements to return the United States until after my arrival. Soon after my arrival he aid to me that he wished I would take charge of his business and allow im to go home.

Q. Did you arrange with Mr. Park to take charge of his unfinished

and unsettled business in London after he returned to the United States?—A. I consented to do so.

Q. When did Mr. Park leave London?—A. On the 11th of May, 1872.

Q. Did you take charge of his business after that time?—A. I did.

Q. And when did you return to the United States?—A. I sailed from England on the 30th of November, 1872.

Q. And arrived in New York, when?—A. On the 13th of December, 1872.

Q. Before Mr. Park left London, did you meet James E. Lyon?—A. I did.

Q. Was he in the habit of calling at Park's rooms in Albemarle street after your arrival, before Mr. Park left?—A. He was.

Q. Was there a suit then pending which has been known here as the Davis suit?—A. There was.

Q. Did Mr. Lyon's visits there have any relation to the Davis suit; and, if so, what?—A. Mr. Lyon's visits to Mr. Park for the most part were for that object—to try, as I thought, to bring about some settlement between Mr. Park and Mr. Davis.

Q. Did you at any time hear a conversation between Mr. Park and Mr. Lyon in regard to certain statements that Lyon was alleged to have made adverse to the Emma Mine?—A. I did.

Q. Where was it?—A. In Mr. Park's room or rooms at 45 Albemarle street.

Q. State whether Mr. Park had previously requested you to be present at such conversation.—A. He had.

Q. State, in your own language, what that conversation was.—A. I will give the substance of it according to the best of my recollection. Mr. Park said to Mr. Lyon that he had heard that he (Lyon) had reported that General Schenck was paid to become a director, and that Professor Silliman had received a large amount of money for his report, and he said that Lyon had been talking and circulating reports against him, and the Emma Mine, and Mr. Stewart. Mr. Lyon denied having circulated such reports, or having ever said anything against Mr. Park or the Emma Mine. In conversation he stated that Mr. Park knew very well what his feelings were toward Mr. Stewart at one time, but that that was all settled now. Mr. Park asked him at the time about his selling shares of the Emma Mine short in the market, and how he came to do it. Mr. Lyon replied by saying that he had supposed that Mr. Park was going to put quite a number of shares on the market, which he thought would reduce the price of shares. He further denied, (about the last of the conversation,) that he had ever said anything against the mine, for he had always believed in the value of the property. That was the substance of the conversation.

Q. Were you present at any interview after that in which there was some discussion about Mr. Park letting Lyon have 300 shares of stock?—A. I was not present in the room, but in the passage-way, when Mr. Lyon called one morning quite early, urging Mr. Park to let him have some shares which he said he knew Mr. Park had bought a day or two before. He wanted them to fill a portion of his short sales. Mr. Park consented to let him have, I think, 300 shares. He told him that he had sold 200 shares to some one, (I do not recollect the name, as I did not pay particular attention to the conversation, although I recollect it very well.) Mr. Park was not at that time completely dressed. It was early in the morning.

Q. In that conversation which you have referred to, did you or not understand Mr. Lyon distinctly to deny that he had circulated any re-

ports that General Schenck was paid for becoming a director, or for his connection with the company?—A. He denied it most positively.

Q. Did he also deny ever having said that Park or Stewart so told him?—A. He did. That was the next question that Mr. Park asked him.

Q. And he also denied having circulated this story about Professor Silliman's compensation?—A. Yes. I recollect that.

Q. Among the matters which Mr. Park left with you, state whether there was one connected with a settlement with Mr. Lyon, or a payment to him of a sum of money.—A. There was.

Q. State what you were directed by Mr. Park to do in respect to that.—A. I was requested by Mr. Park to have the papers which he had agreed upon with Mr. Lyon, drawn up, and to go to the American consulate with Mr. Lyon for the execution of the papers, after which I was to pay him a balance due him of £1,700.

Q. What were those papers?—A. One was a quit-claim deed (as I call it) to the Emma Company. The other was a quit-claim to Mr. William M. Stewart, and there was a release to Mr. Stewart.

Q. Who drew up those papers?—A. Mr. Phelps, here. He was in London at the time.

Q. What did you do, if anything, with those papers subsequently?—A. After they had been drawn by Mr. Phelps, I called on Mr. Lyon and showed him the papers and made an appointment, (I think the next day or the day after,) to go down to the consulate for the execution of them, and on the morning of the 18th of May I took a cab and went with Mr. Lyon to the American consulate from the Langham Hotel, or from my house, I forget which; but I think from the Langham Hotel.

Q. What distance is that?—A. I should judge it is about two miles.

Q. Did Mr. Lyon execute the papers in the presence of the consul?—A. He did.

Q. Did you have a conversation with Mr. Lyon on the way down to the consulate?—A. Yes, sir; in the cab ride.

Q. What was that conversation?—A. About the first opening of the conversation on the Emma matters was a remark by Mr. Lyon that any amount of money, or a million of dollars, could be made by Mr. Park in the manipulation of Emma Mine shares. I asked him how. He said that by Mr. Park being on this side he could govern the production of the mine, so as to cut off dividends or to increase them, as it might best suit the manipulation of the market. To which I replied that Mr. Park would not be a party to any transaction of that kind, that he believed in the mine, and would not do anything that was not for the interest of shareholders. Then there was some further conversation. I remember very well Mr. Lyon's saying that it made no difference how good the mine was, that the money could be made by manipulation.

Q. Did he want Mr. Park to go into this arrangement with him?—A. There was nothing said that would indicate to me, further than inference, that he wanted Mr. Park to make an arrangement of that kind with him. He had considerable to say about Mr. Park having been lied to by some parties about him, and he seemed to want to be friendly with Mr. Park, as everything had been satisfactory with him. I remember his remarking that he thought Mr. Park did not believe the lies told to him about him, Lyon.

Q. Did he say anything on the subject of giving Mr. Park a letter, or giving you a letter?—A. At the time I returned from the consulate to Jay Cooke, McCulloch & Co., where I gave Lyon the check for £1,700, he expressed himself as perfectly satisfied, and said that he would

write Mr. Park a letter to that effect. I communicated this in a letter of that day to Mr. Park, and I remarked also in that letter that I did not think that he needed anything more than the papers which he already had over Lyon's signature.

Q. Lyon did not send that letter, did he?—A. I never spoke to him from the time I gave him the check till some time in January last.

Q. You paid him this check of £1,700 the same day, did you?—A. The same day.

Q. And that payment was the balance coming to Lyon of the £10,000 of which we have evidence here?—A. So I was told.

Q. When Mr. Park left London, about the middle of May, 1872, how many shares of Emma stock did he leave in your hands owned by him?—A. Five thousand four hundred and ninety-four.

Q. And at that time what was the value of those shares?—A. Twenty-eight pounds to twenty-nine pounds.

Q. How much did they aggregate in value?—A. One hundred and fifty-three thousand eight hundred and thirty-two pounds, or about $765,000 in gold.

Q. What directions did Mr. Park give you in reference to those shares?—A. When he left them with me, he said that he did not wish me to sell any of the shares until I had instructions from him after his return to New York.

Q. Did he tell you whether or not he intended to hold a large interest in the mine?—A. He told me that before I left he should want all his business closed there, and that I must keep his final holding at about 2,000 shares at least.

Q. At the time that Mr. Park left, did he have most of those shares put into your name?—A. They were all put into my name, with the exception of 150 shares that stood in the name of Mr. Fisher, or rather blank transfers were signed for them. They were not put into my name.

Q. The transfers were not recorded on the company's books?—A. Not until I signed the transfers and passed them in.

Q. During all the time you were in England, was it well known to all the directors, and well known publicly, that you were Mr. Park's agent in holding those shares for him?—A. It was.

Q. When did you first sell any of those shares?—A. About the 25th of June following.

Q. Did you have any directions from Mr. Park to sell them?—A. I did not.

Q. How came you to sell them?—A. A contingency had taken place which no one had thought of. I was in Paris attending to my own business at the time that news was received at London that the mine was caved and flooded. I immediately returned to London. On my arrival there, shares had fallen off from £28 to £23 or £24. I immediately cabled Mr. Park the price of shares, owing to a report that the mine was caved and flooded. I received in reply from that a cable from Mr. Park: "Mine all right; reports false." The company had no information from the mine itself, but the market was full of telegrams from Almy and Dalton, or from parties who were supposed at the time to be bears of Emma shares. I commenced telegraphing again to Mr. Park. He had started for Salt Lake, and I did not get any information from him until the shares had got down to about 16. And without information from him, and unable to get any, I, on my own responsibility, commenced the sale of shares, telegraphing Mr. Park each day what I was doing.

Q. How many shares did you then sell?—A. Sixteen hundred. They were sold within three or four days after about the last of June.

Q. And were they all sold without receiving any orders from Mr. Park?—A. They were all sold without any information whatever from Mr. Park.

Q. Did you learn afterward that while you were telegraphing him he was on his way from New York to Salt Lake?—A. I did.

Q. What was the first communication that you received from Mr. Park after he arrived at Salt Lake?—A. The first communication was in these words: "Everything favorable. Purchase 2,000 shares."

Q. What did you do on that?—A. That cable was received in the morning of the 5th of July, and I purchased on that day 400 shares at an average of from 18 to 19.. They had gone up within a day or two past. I cabled Mr. Park about as follows: "Purchased 400 at from 18 to 19. Cable me how high to purchase."

Q. What did he reply to that?—A. I received the next morning a reply to that: "Purchase the full order as telegraphed. If par or under, increase to 5,000 shares."

Q. How much did you buy in all on that occasion?—A. I purchased at that time 2,035 shares.

Q. And then did the market go up above par so that you could not fill the order?—A. It did.

Q. What was your next transaction in shares for Mr. Park?—A. Some time in August, or about the time of Mr. Park's return from Salt Lake, he had received such information there as led him to believe that the directors and the English shareholders were looking on the American directors with a good deal of suspicion, and he wrote me a letter saying that he had got tired of the continual suspicions of the English people, and that he thought he had better instruct me to sell out all his shares except the 25 qualification shares, and on the receipt of that letter I again commenced selling shares.

Q. About how many did you sell?—A. Up to the 9th day of October, 1872, I had closed out all of Mr. Park's shares except the twenty-five. I cabled Mr. Park that everything was settled, and that I would sail for home on the 26th of October in the Calabria. I had settled all my business, and had taken my wife and trunks with me, and had reached Liverpool. Then I received another telegram from Mr. Park to go back to London and purchase Emma shares.

Q. Where was that dispatch from?—A. From Salt Lake. The 23d and 24th of October were the days that I was in Liverpool, on my way home.

Q. You then understood that Mr. Anderson, the chairman of the company, was at Salt Lake with Mr. Park?—A. I knew from my communication with the directors that he was there.

Q. And had not favorable telegrams been already received in London from Mr. Anderson on that visit?—A. They had.

Q. You say that Mr. Park telegraphed you to go back to London and purchase Emma shares; what did you do?—A. I cabled him asking him to cable me to return home, if possible, as everything was settled, but he answered that by instructing me to go back, and I did so. I went back to London, and up to about the first of November I had purchased again 1,150 shares—against my own judgment, but under my instructions from Mr. Park.

Q. At what price?—A. At an average of about £23 per share.

Q. Were those the last shares you purchased? - A. They were.

Q. When Mr. Park left England, had Mr. Brydges-Willyams a call on him for 2,000 shares of Emma stock?—A. He had.

Q. That call at first was for 30 days. After Mr. Willyams returned from Salt Lake, did Mr. Park extend that call, and, if so, how long?—A. He extended that call, as I understood, for Mr. Willyams to such time as I might be wanting to close up my business; but the call was to be settled before my return. I was intending then to return some time in July or August.

Q. At the time Mr. Park left, and when this call was extended, the shares were up to 28 or 29, were they not?—A. They were up to 28. They were never below that from the time Mr. Park left until the cave.

Q. Did Mr. Willyams tell you that he would take those shares?—A. He did.

Q. And, as Mr. Park testifies, he gave you a check for the £5,000 which he was to receive under the contract, did he?—A. He did.

Q. Did he take up these shares?—A. He did not at that time.

Q. What was done with them?—A. After the cave, shares went down to where they would be quite a heavy loss to Mr. Willyams, and, while they were below par Mr. Willyams, of course, did not call the shares, but I still continued to give him the privilege of the call while I should remain in London, or until such time as I should ask him to make the call. While I was purchasing shares I required funds, and, about the last of August or the 1st of September, I called on Mr. Willyams, and asked him if he would not make a call on those shares. He went to Mr. Grant and made an arrangement by which I was to deposit the 2,000 shares with Mr. Grant, on which I obtained a loan of £20,000, with a stipulation that I should repay the loan on the 15th or 19th of September, and take up the shares, or that Grant should pay me the value of the shares as agent in the call of Mr. Willyams.

Q. You made that arrangement because you needed the money in the purchase of other shares?—A. That was it.

Q. You deposited, with Mr. Willyams's consent, these 2,000 shares with Mr. Grant?—A. I did.

Q. Did Mr. Grant subsequently pay you for them?—A. He did.

Q. And do you know how he and Mr. Willyams afterward settled that transaction?—A. I do not, further than that I believe Mr. Willyams told me that the amount of money which he made in the transaction was six or seven hundred pounds sterling.

Q. About when were those shares paid for by Mr. Grant, so far as you and Mr. Park were concerned?—A. Either on the 16th or 19th September. I have got the dates a little confused. I know that it was just after settlement-day in London, which is generally the middle and first of the month.

Q. Did you learn, while in London, that an arrangement had been made to sell the Emma ores in this country instead of shipping them to Europe?—A. I did.

Q. Mr. Anderson arrived in this country in August; when did he finally return to London?—A. He arrived in Liverpool the same morning that I left, which was on the 30th of November, 1872.

Q. After Mr. Anderson left did any discussion arise in reference to the payment of dividends?—A. Very frequent discussions with the board of directors, and I may say with the public.

Q. About when did they commence?—A. About the time of the October dividend. That was the first time that any discussion arose in the board.

Q. What was the subject of that discussion?—A. It arose from an

ount, I think, of £500 being cabled to me by Mr. Park to pay to the ıma Company. Then there was another amount of money telegraphed ough the Messrs. Clavering, of Glasgow, and it was those telegrams l the receipt of money in this manner that the board was discussing, l it was frequently stated in the board that unless they knew just v the money came they would not declare a dividend.

Q. These ores were sold in Utah. Had the board in London any ans of determining there whether or not this money came from the e of ores?—A. They had no means of knowing, except through their ıirman, who, I supposed, was pretty good authority.

Q. Did their chairman telegraph that these moneys came from the e of ore in Utah?—A. He did.

Q. And the board in London was unwilling to divide the money unless ey had the evidence before them that these dividends came from that ırce; was that it?—A. It was to that end, certainly. The discussion ıs, before the December dividend, a very lively one.

Q. You say that this discussion commenced with the October divi- ınd, which was paid on the first of October?—A. Yes; it was talked then.

Q. Was it reported in the street that there was some discussion in re- ard to the making of the October dividend?—A. I cannot say posi- vely that the discussion took place in the street as early as October. know that it did as early as the November dividends. I believe they ad the funds to pay the October dividend, for they paid me, I think, 5,000 very shortly afterward. I know they did not require money ır that dividend.

Q Did not these discussions increase after that, in regard to the No- ember dividend and in regard to the December dividend?—A. They d.

Q. How widely was the fact known in London that there was doubt out the payment of these dividends?—A. So much so that it was a ily conversation with almost every one whom I met; and there was much doubt about it that, I think, two to one was offered that the vidend would be passed by the board.

Q. When you left London, on the 30th of November, 1872, was not e question of passing the January dividend one of extended discus- ın in London?—A. It was, as the others had been.

Q. And had not the directors told you that if they had the money in and they would not divide it?—A. I do not know that any of the di- ectors told me that in so many words, but I was so convinced of it that n my arrival in New York I told Mr. Park that if they had the money hey would not pay it.

Q. I want to know whether, before you came away, the question was iscussed and was in doubt as to whether they would pay this dividend if ıey had the money?—A. It was in doubt. I know that in the board- ıom a portion of the directors said that if they passed the December vidend it would be an insult to their chairman, who was then in merica, after the letters and statements he had forwarded.

Q. When you arrived in New York, did you meet Mr. Park?—A. I d, the first day of my arrival.

Q. What did he then tell you about advancing money for the January vidend?—A. He said he was ready to advance the money for the ınuary dividend, and that he believed, from the reports he had from e mine, that there was ore enough out to meet it. I replied to him at if he sent the money to London they would not pay the dividend, ıd I explained to him the discussions that had arisen about the divi- ends.

Q. Did Mr. Park then decide not to remit the money for the January dividend?—A. He did.

Q. On your statement that probably it would not be divided if it was remitted?—A. I suppose on that statement.

Q. When you got that decision of Mr. Park, did you communicate it to any parties in England?—A. I did.

Q. To whom?—A. To five different parties.

Q. Was General Schenck one of them?—A. He was.

Q. Did you communicate it to another person there who owned shares with you?—A. I did; to Mr. David English, our shipping agent in Liverpool.

Q. Did Mr. Park give you any directions about making these communications?—A. He did not.

Q. You made them on your own motion, did you?—A. I made them on my own responsibility, from the instructions and from the general manner in which I had conducted Mr. Park's business, and from what I felt and believed to be his wishes and desires.

Q. What did you telegraph to General Schenck?—A. "January dividend will not be paid. Sell 2,000 shares."

Q. What did you telegraph your partner, Mr. English?—A. The same, only I told him to sell 500. We owned jointly a lot of 140. The number that I said sell, I meant to include that number.

Q. Did either of them sell any shares short, do you remember?—A. Not to my knowledge—not any.

Q. Why did you so telegraph to General Schenck?—A. In my instructions, and different communications from Mr. Park, he had expressed a wish that General Schenck should not lose any money in his transactions with the Emma. I knew that he held at that time five hundred shares that he purchased at about 31, besides the four hundred and seventy-five, (his original allotment,) which made nine hundred and seventy-five shares. This was only my own conclusion. I thought that if he sold two thousand, including those, he would get square for his loss on the others at that price.

Q. Why did you telegraph to Mr. English to sell five hundred?—A. For the same reason that I thought that the sale of five hundred would make us square upon the ones that I left, and we had a joint interest in one hundred and forty shares—the only interest I ever had in any Emma shares. We bought at 23; but Mr. English, and all the parties I came in contact with, looked on the Emma Mine, as I had done, as a valuable property, and believed in it, and did not dare to sell the shares short. That is what Mr. English told me, and I believed him. He thought they would soon get back again, and that he could not get them at a price to cover him.

Q. Were you induced to send either of those telegrams by any want of confidence in the value or permanence of this mine?—A. By no means, sir.

Q. And you then believed that the dividend had been earned, did you, from such information as you had?—A. I did certainly believe that there soon would be a very large surplus, from Mr. Anderson's report and statements.

Q. Come back now to the 1100 shares which you had in November, after these stories became current in London about the American directors. State whether they increased as the time went on.—A. They did, so much so that I was pressing Mr. Park all I reasonably could to allow me to close up and come home.

Q. After you arrived there, were Lyon and Johnson, and others con-

ected with the bear party, publishing circulars and statements adverse the mine?—A. They were.

Q. And was that kept up all summer and fall?—A. Continually most.

Q. Was there not comparatively a concentrated effort made there to estroy the confidence of the English directors and shareholders in the merican directors?—A. I should say that there was, not only in the merican directors, but in the property itself.

Q. When, finally, did Mr. Park consent that you should close out his terest in the company?—A. Somewhere from the 8th to the 10th of ovember, 1872.

Q. What did he write you on the subject?—A. The purport of the tter, I should think, was about this, that he received my letters, and hat I might close up all his business and come home.

Q. And when did you finally close out the last of the shares?—A. bout the 20th of November.

Q. At any time during your entire connection with Mr. Park, or your nowledge of the Emma Mine, did you ever hear Mr. Park express any istrust or doubt of the value or permanence of the mine itself?—A. o, sir; but the contrary throughout.

Q. Has he always maintained, so far as you know, that this mine as worth the full sum for which it was sold?—A. He has, and I may dd that at the time he wrote me that I might sell out his shares and ome home, he wrote that he did not wish to limit me in price, but not o sell under par under any circumstances.

Q. Are you acquainted with Mr. George Anderson, Mr. Brydges-Willyams, Colonel Stanley, Mr. Pemberton, and Mr. Percy Doyle, the riginal English directors of the Emma Mine?—A. I am.

Q. Are you acquainted with Mr. Bompas, of the firm of Bompas, Bischoff & Bompas, solicitors?—A. I have only met him two or three times.

Q. Do you know Mr. Cumfort, of the firm of Kemp, Cumfort & Co., ublic accountants?—A. I only met him last summer, at the time the vidence was being taken before the commission.

Q. Do you know Mr. Routh, the chairman of the committee of the London Stock Exchange on securities?—A. I do.

Q. Were you in England in the summer of 1875 for several weeks hile the testimony was being taken in the Emma suit, against the endors?—A. I was.

Q. During that time did you have frequent communications with these entlemen, who were directors and connected with the company, at or hortly after the sale by Mr. Park?—A. Frequent, with all of them, with he exception of Mr. Pemberton and Mr. Stanley. I only saw them twice, think; the others I saw quite frequently.

Q. Did you converse with them freely about this sale and the mine?—A. Very freely and fully.

Q. Did you then hear, or have you ever heard, one of those gentlemen make any claim of any fraud in the sale of this mine by the vendors?—A. Never.

Q. Have you ever heard any of them claim that Mr. Park used any rtifices or any improper or unfair means to effect the sale?—A. Never.

Q. Did not these gentlemen maintain during this last summer that he sale of this mine was an honorable, straightforward transaction?—A. They did.

Q. What communications or connections, if any, did you have with General Schenck after Mr. Park left?—A. I don't think I saw General

Schenck from the time of Mr. Park's departure until after he returned from Paris and the news came of the cave at the mine.

Q. There has been something said here about an indorsement of eighteen hundred and odd pounds upon General Schenck's note; will you state what you know about that?—A. I wrote to Mr. Park that in the transaction I had made, I had said to General Schenck that there was that amount coming to him. There was more, as a matter of fact, but I named the amount eighteen hundred and odd pounds to Mr. Park, and on the receipt of that information I understood that Mr. Park indorsed it upon the note.

Q. Did Mr. Park tell you that he intended to give General Schenck a share in any profits that he might make in transactions in Emma shares?—A. He did; and Mr. Lincoln, his agent, wrote to me, of date some time in June, which was the cause of my making this statement to General Schenck, that Mr. Park wished that any purchase or sale of shares that he might instruct me to make should be on joint account with General Schenck.

Q. Did you communicate that to General Schenck?—A. I did.

Q. What did he say?—A. His reply was, when I read it to him, (I remember the words very well,) that it was only Mr. Park's chivalrous generosity that would induce him to make such an offer as that to him; that he would not accept of any profits made where there was no risk—that it would be like a gift to him. From that time I only mentioned to General Schenck that I had made such an amount, in one special transaction.

Q. What was done about that, you of course do not know?—A. All o General Schenck's money transactions were made with Mr. Park, in settlement. I know nothing of them.

Q. I will ask you to state any and all money or share transactions that you had with General Schenck, or with which he was in any way connected, after Mr. Park left.—A. After the cave, and while shares were down for a few days, which was about the time that they went down from 16 to 13 and 14, (I remember it was at that time, for I had told General Schenck that morning that I had been selling, and he remarked to me he was sorry for it; I told him I did it upon my own responsibility,) he owned 500 shares of stock which he had purchased at 31, and, I had understood from him, on a margin of some £2,000. I offered, thinking I should be acting in accordance with Mr. Park's wishes, to loan him shares. I had said I would not sell any more. I did not want to use the shares, and I loaned General Schenck 1,000 shares in two 500-share certificates signed in blank.

Q. In what form?—A. To use as collateral if he should be called upon by Jay Cooke, McCulloch & Co., as a margin for the 500 that he had with them, which there had been a heavy loss upon. About the middle of July or perhaps after that, I met General Schenck again, and he said he had not used the certificates at all, and he gave me up one 500 share certificate with the transfer. He gave me the identical one that I gave him, the transfer not having been signed at all, showing, therefore, that it had not been used. About the 1st of October, after I had received the letter from Mr. Park to close up, General Schenck delivered to me the other certificate of 500, the identical one that I had loaned him, not having used it at all, and the transfer not having been signed.

Q. Were there any others?—A. I had no other transactions with General Schenck then on account of Mr. Park of the Emma Mine.

Q. Mr. Lyon has, upon his cross-examination, detailed a conversation

hich he says he had with you at the Saint Nicholas Hotel, or near ere, in New York, and within the past few months. This conversa- on you will find on pages 372 and 373 of the record; did you at any me have a conversation with Mr. Lyon in which you made the state- ent, or any of them, which he details on those pages?—A. I should y it would require a very fertile imagination to put any such construc- on on the conversation I had with him at that time. It is very far om the purport of our conversation or the manner in which we met nd parted.

Q. Did you tell him that Mr. Park told you that Mr. Stewart had heated Lyon?—A. Never.

Q. Or that Mr. Park said that Mr. Stewart was a rascal, and that Mr. Stewart owed Lyon $300,000?—A. I think that Mr. Lyon used those vords that he has put into my mouth.

Q. I wish to know if you have made any statements such as are con- ained in those pages?—A. None that are of importance.

Q. State what conversation you had with him.—A. I met him near he paper stand. It was the first time I had spoken to him since the 18th of May, 1872. He immediately commenced talking about the Emma Mine, and asked me if I had read his "History." I replied that I did not know what he referred to, but I presumed he referred to the testimony that he had given before the commission in New York. I told him I had read portions of that, and that there were a good many things in it that I knew, from my own knowledge, were not so. He replied that after so long a time a man could not be expected to remember positively, but he says, "That is not the history I mean. I mean a history that I have written of this Emma Mine, which is in the hands of the Tribune;" (I think that was the paper he named) and added that it would not be published unless he gave the word. That was a very small part of the conversation. The principal part of the conversation was in reference to his trouble with Mr. Stewart, which I said to him I knew nothing about. When he would make an assertion, I would say, "I know nothing about this, and I won't argue that question with you, Mr. Lyon, but I cannot see why you should be carrying this thing in the shape that you are against Mr. Park, and all these other people, because you happened to have had trouble with Mr. Stewart." I never had heard anything of the trouble with Mr. Stewart which would enable me to use the language that he gives there as mine. He said, however, that he should follow Mr. Stewart as long as he lived, and said that Park had been helping Stewart out there to cheat him. I asked him why he seemed to be so well satisfied with the settlement when last we met. Well, he said it had been a swindle on him from the beginning, and he went on to give me the history of his furnishing Stewart money. I told him I did not care to argue these questions with him. I remember his finally saying that he had not anything particular against Park, but that Park had said he could find a number of men who would not believe him (Lyon) under oath, and Mr. Lyon said he would like to see Mr. Park. It was not, however, in any connection with his report or history that he claimed o have published. I replied that I did not know that Mr. Park wanted o see him or would see him, but I would tell Mr. Park that he expressed desire to see him. It was after 5 o'clock, and I kept taking out my atch, and finally I said to him, "I must take the cars, or I shall be ate for dinner." We walked along without any knowledge on his part here I was going to, until we got to the Bleecker-street cars. After inner that evening I went to see Mr. Park, and told him of the interiew I had with Lyon. So far as that interview was concerned, he had

very strong language to use as against Mr. Stewart, and the purport of my conversation was trying to convince him that because he and Stewart did not get along well together was no reason why he should feel as he did toward Mr. Park; that I believed Mr. Park had fulfilled his contract with Mr. Stewart, and if Mr. Stewart had not fulfilled his contract with him, why should he blame Mr. Park. That was about the purport of our conversation. It was quite a long one.

Adjourned.

WASHINGTON, D. C., *April* 18, 1876.

Examination of WILLIAM P. BLAKE continued.

By Mr. HEWITT:

Question. Are you able now to produce the original draft of the document which you sent to Mr. Park and General Baxter?—Answer. I am. I have it here. The first letter is the same which is found on page 150, and the second is as follows:

SALT LAKE CITY, *July* 27, 1871.

Messrs. H. H. BAXTER and T. W. PARK:

[13.] GENTLEMEN: My letter of yesterday gave you some facts with regard to the Emma Mine, and I think it my duty to add to them an expression of my opinion with regard to its future.

As stated in that letter, we cannot expect the ore-mass to retain its extraordinary dimensions. According to my judgment, it will soon be found to thin down in every direction in length and in depth. There is yet uncertainty in my mind with regard to the immediate thinning out of the ore-mass followed down in the lowest shaft, whether it is the main body of ore that thins out there, or a side mass; but the appearances are such as to throw a strong doubt upon the persistence in depth of the main body.

[15.] As to the occurrence of other ore-masses or chambers beyond, either horizontally or below, I can only say that there is a probability of finding others; but it is by no means certain that they will be found, and I would not count much upon them. At the present rate of extraction, the mine will soon be stripped, and for the present practically exhausted, at least for some time, or until another body of ore can be found.

[16.] I wanted to send in my letter, yesterday, some calculations of the amount of ore standing below the tunnel-level, but I gave it up. I do not dare to do it without having more work done to open up and prove the ground, and a careful survey of it. I was surprised to find that so much had been taken out there.

[17.] Deposits in limestone are always regarded by miners as treacherous; we cannot depend upon them. They are apt to be in bunches or pockets, and it will not do to regard them with as much confidence and expectation as we do regular veins with well-marked walls and hard vein-stone.

[18.] There is a chance that any one of the masses and seams now standing at the ends of the chamber, or in the bottom, may soon open out into large chambers. I cannot say that they will not, but, having a strong conviction that the present ore-mass is the largest and principal one, and that it will be tedious and difficult to mine for others, it is my duty to state my opinion for your consideration and guidance.

Very respectfully, yours,

WM. P. BLAKE.

Q. I think you testified that you could not recollect any conversation with Mr. Park or General Baxter subsequently, in reference to this second letter.—A. I do not. There were a few words only spoken in regard to the use that had been made of my letter in the prospectus, and I cannot remember the exact words. Mr. Park disclaimed having made any improper use of my letter, and relieved me of any responsibility. He took the same ground that I did, that I was not, and had not been made, responsible for anything but what was quite proper. I cannot remember the conversation, but I remember distinctly that I

was satisfied; there was no need of talking about it, and there was no desire to talk about it much. I felt aggrieved that my opinion should have been misrepresented, and I saw that there was no excuse that could be offered for it, and I did not think it would be of any utility to demand any.

Q. Did you feel that you had been grievously misrepresented?—A. I certainly did; I have always felt so.

Q. Did you complain of it to them at the time?—A. I complained of it freely to several parties at the time when I first saw the extract in the prospectus, which was some months, I think, after it had appeared. It was also after Professor Silliman's report had been made, and had been printed, and after Professor Silliman had called upon me and told me that the mine had changed very much since I saw it; that it had improved very much, and presented a totally different appearance. This placed me in the condition of having condemned the mine, while he had found it a very good ore-mine, and was able to extol it. If, therefore, I had made a public complaint about it, and had published my letters on the mine, I would have been in direct opposition, not only to Professor Silliman and his opinion, but to all the gentlemen who were connected with the transaction.

Q. Did you speak to any director of the Emma Mining Company in regard to it?—A. I did; Mr. Stanley, one of the directors, came to this country, and in an interview with me he asked me, in behalf of the Emma board of directors, whether the extract in the prospectus gave a fair and just view of my opinion of the mine. I told him that it certainly did not; that it misrepresented my opinion, and I explained to him the reasons why. I told him about the condition of the mine, the character and nature as a deposit of the so-called vein; gave him my reasons for thinking it was very uncertain, and charged him to communicate the facts, as stated by me to him, to the chairman.

Q. Did you tell him about this second letter?—A. I told him about the second letter, which had not appeared.

Q. Do you remember the time when this conversation took place?—A. I do not remember the month or the day of the month. It was in the summer season, in New York. I think it was in July, at an entertainment which was given by Mr. Cooper, where I met Mr. Stanley and Mr. Hewitt and several other gentlemen.

Q. That was in 1872?—A. That was in 1872—perhaps July.

Q. Did you ever meet Mr. Anderson, the chairman?—A. I never met him that I remember. I called afterward at the office of the Emma Company in London, and desired to see the chairman and the members of the board of directors to explain this matter further. I saw the secretary, and afterward met two or more of the directors, by appointment, and explained the matter to them.

Q. When was that?—A. That was in 1873; in the spring; I think about March. I then stated to them that, notwithstanding the glowing reports from the mine and its being reported as a true vein, I had very grave doubts of the truthfulness of some of those reports; but that I was unable to express a decided opinion, professionally, upon the late developments without seeing them. I referred to my two letters which had been written, and asked them if they had ever seen them. They had never seen either of them and did not know of their existence, but afterward one of them was found.

Q. That was the first one?—A. Yes; the first one was found, and I was shown a copy of it when General Gardner came to this country, subsequently.

Q. You have told the committee all that you remember of any communications on this subject to anybody connected with the Emma Mining Company?—A. There were subsequent transactions connected with the direction of the mine which I can detail.

Q. You mean since 1873?—A. Yes, sir; I have here a copy of a report based upon another examination of the mine in 1874.

The following report was then submitted to the committee:

[Delivered in New York, Tuesday evening, December 15, 1874, to General Gardiner and Mr. Turner.]

Report upon the Emma Silver Mine, Utah Territory, U. S. By W. P. Blake, November, 1874.

Commissary-General R. M. GARDINER.

Chairman Emma Silver Mining Company, Limited, &c., &c.:

SIR: Having, in accordance with your request, visited and inspected the Emma Silver Mine, Little Cottonwood, Utah, I respectfully submit the following report:

A thorough inspection was made, commencing November 23, last, and continuing until the 30th, and the water having been pumped out for the purpose, I reached the lower workings. It is well to premise, also, that I made a thorough examination and survey of the mine in the month of July, 1871, when the production was at its height, and the walls of the great ore-chamber were fully accessible. I then became familiarized with this mine, with the character of the inclosing limestone and its position relatively to the ore, with the direction of the mass of ore, and such other characters as enabled me to judge of the nature of the deposit. This is the more important as respects the last examination, inasmuch as that other part of the mine has been rendered inaccessible by caving in.

Before proceeding to describe the mine in detail, recounting what I have observed in its various parts, I deem it advisable to state, in brief, the conclusions to which I have been led by my examinations.

I regret exceedingly that I am unable to report encouragingly on either the present or the prospective condition of the mine. It is practically worked out. The ore has been taken out, leaving nothing in the cavity or chamber from which it was extracted but falling rocks and crushed timbers; a wreck dangerous to approach. This is the condition of the great chamber from which so much ore has been taken. The boundaries of limestone have been reached on all sides. Explorations in depth and in length have developed nothing but limestone. No new bodies of ore are in sight. There are no indications of any, and there is no special reason to expect to find any more.

There are no well-defined vein-walls with selvages or "gouge" to follow in search of. There is no regular vein-stone or gangue. The transition from ore to limestone is sudden, nor is there any recognizable peculiarity of the limestone country-rock leading to ore.

Certain strata of limestone, extending diagonally up the mountain in a northwesterly direction, are more or less mineralized with argentiferous galena, accumulated irregularly in deposits, massed, or bunches of ore, not necessarily connected or exposed by croppings at the surface. No special ore-bearing stratum has been recognized, nor does there appear to be any defined ore-channel within which masses of ore are deposited and which may be followed in expectation of reaching ore sooner than in other parts of the strata. These conditions render exploratory work not only uncertain but tedious and expensive. Exploration of this nature is the only chance for the mine. All hope from possible exploration in depth is cut off by a great slide or movement of the rock reached by the deep working.

This is the unfortunate condition in which I find your mine with regard to prospective production. It is reduced to a chance of finding ore by drifting and cross-cutting in the country rock to the northwest, and under ground, which has already been unsuccessfully prospected by several companies.

I now proceed to describe the mine more in detail.

The maps and sections of the mine reported to you by Mr. George Attwood, civil engineer, your superintendent, have already made you more or less familiar with the extent and directions of the shafts and drifts, and the forms of the ore-mass. In the succeeding descriptions reference may be made to them as well as to the accompanying maps and sketches.

The mine is reached by a tunnel about 375 feet in length, piercing in a northwesterly direction through limestone. The excavations upon the ore at the end of this tunnel extend upward about 71 feet, thence by a shaft to the surface about 40 feet farther, making 110 feet. Below the tunnel, including the winze, a depth of about 290 feet has been reached, making a total depth from the surface of 400 feet, measured along the dip of the ore-ground. This dip was to the northeast at varying angles, approximately 50 in the lower portions.

The extension or direction of the ore-ground was approximately northwest and southeast, and it appears to conform to the stratification.

Above the level of the tunnel the ground was worked in "floors," so called, one above the other, and numbered from 1 upward to 11 at the top. Formerly, also, the ground below was worked in floors, numbering from 1 at the tunnel downward, but the notation has been discontinued, and levels have been run below at intervals of 52′, 50′, and 79′, respectively, and are known as the I, II, III, and IV levels.

These levels are reached by a shaft downward from the end of the tunnel, and by a winze from level IV, about 100 feet farther northwest. This winze, undertaken and sunk by Mr. Attwood, and known by his name, extends to a depth of about 90 feet below level No. IV. All these openings follow the general direction of the ore. The winze followed the ore down from level No. IV. The shaft followed along the southeastern end of the ore-body to level III, when the ore gave out, and below that it is in limestone. Level I was excavated in ore, or parallel with it; level II for part of its length skirted the lower edge of the main ore-body; level III exposed a little ore at the shaft, which thinned down to a mica-seam a few feet to the northwest. The level, with this exception, extended in limestone for 140 feet from the shaft without ore, being nearly to the top of the winze leading down to level IV. This winze followed the downward prolongation of the main body of ore, which contracted to a pipe-shaped mass extending to the Attwood winze and gradually tapering to a few broken strings and patches in the limestone. Level IV is in solid limestone for about 90 feet northwest of the shaft, where it connects with the pipe of ore above mentioned. In the shaft below level III a small bunch of galena was cut near level IV, but this was apparently an isolated mass, it being quickly cut out.

All these levels, the shaft, and the winze, were examined with care and repeatedly. Attention was given particularly to the appearance of the ground at the northwest ends of the drift where the prolongation of the ore is most to be expected. At the end of II, III, and IV, and at intermediate points along the winzes between them, only compact, barren white limestone is exposed. The limits of the ore-body have been passed there.

The position of all these workings and the general limits of the ore-ground are shown on the annexed diagram. (Here follows a diagram.) I also examined as far as possible the end of the drifts above the level of the tunnel, finding limestone instead of ore. The end of level I and a portion of level II were inaccessible, owing to caving in. But I examined the ground particularly at and above the level of the Illinois tunnel, which is to be regarded as an important work of exploration for the Emma Mine inasmuch as it cuts directly across the ore-bearing ground in advance of, or to the northwest of, the old workings. It "proves the ground" at that level for more than 300 feet, it has exploring drifts at intervals right and left, and penetrates the mountain as far back as the wall of rock known as the "*slide*," which is regarded as the limit of ore-bearing rock in that direction, and beyond which none of the workings have extended more than a few feet.

As regards the limits of the ore-ground to the mine on the horizon of this tunnel, (Illinois,) I find that it thins down to a mere seam just southeast of the tunnel, and only a few feet from it. This ore-seam or stain, where cut by the tunnel, was only an inch or two in thickness and was drifted upon by the miners to the northwest until it disappeared in hard limestone. This drift was carried far beyond the end of the seam, the total length being over 250 feet to the northwest, in the direction the ore which was supposed to run, and it exposes nothing but limestone. In the other direction, southeast, the seam-wall followed into the ore-chamber of the Emma Company, only a few feet distant. I traced it there and inspected the end of the ore-chamber at and above the level of the tunnel.

The remaining portion of the Illinois tunnel beyond this streak of ore is in massive hard limestone, without evidences of ore, except two or three rusty streaks crossing the tunnel, two of which have been followed by drifting in each direction, without showing any improvement. The tunnel ends abruptly at the slide, which is a remarkably well-defined, flat wall-like surface of limestone, pitching to the northeast at an angle of about 65°, and extending north 50° west, and south 50° east, (mag.) The surface of this slide is very smooth and much worn by rubbing, looking as if it had been planed down. A drift has been opened alongside it for a long distance, some 300 feet, and shows it remarkably well. It is evidently a plane of fracture upon which there has been great movement, both vertical and horizontal, as shown by the striation of the opposing surfaces. This movement was accompanied by great pressure and pasturing of the surface, for inspection shows that the present hard and rubbed surface consists of a breccia of fine fragments firmly cemented together. The annexed cut represents a cross-section of the drift along the slide at the intersection of the tunnel. At that point the stratification appears to dip with the slide.

The extreme regularity of this wall as here exposed, not only in the drift but by winzes sunk upon it, and the fact that it is reached in the lower part of the shaft and the Attwood winze, and that it extends to the surface, as made known by the caving,

all indicate that this is a break of great extent, being what is technically known as a "fault" or displacement of the strata. I examined it at all of these points, and am satisfied that it took place after the mineralization of the limestone. It does not appear to be in any way connected with the *origin* of the ore. The great practical question connected with it then is, has it "thrown" or cut off the ore?

I consider that it did not reach or affect the main body of the ore, but intersected the extreme lower end only, where the ore-body narrows down into a few disconnected strings and patches near the bottom of the winze. Hence, I do not attach much importance to the questions as to the direction and extent of the movement, for it is not probable that any valuable part of the deposit was cut off or separated by it from the main body. Appearances favor the conclusion that all the lower portion of the ore, say from level III downward, was a secondary product, resulting from the decomposition of galena and other sulphites standing at higher levels. Only a little galena was found at that depth; the ore was the rusted, oxidized variety, with carbonate of lead, apparently having filtered down from the mass above, and depositing in the pipe like channel. This view is favored by the form of the deposit, and the fact that the strata at that depth were kept free of water by some subterranean outlet.

This main slide is, however, not the only one in the mine. There are others of less extent extending in different directions, but all showing that the ground has been considerably dislocated. One of these slides, with well-marked characters, intersects the main shaft about fifteen feet below level IV, and dips to the northeast at a high angle, about 85°. It probably intersects the mains lide obliquely. Another slip of less extent is visible on level III, just south of the shaft, and extends obliquely backward and upward from it, cutting off the seams of ore near the end of the main body. I am disposed te regard this as a local displacement.

The main slide is well shown toward the bottom of the shaft, and of the winze. It then forms a hard hanging-wall, though in the shaft a portion has been blasted off showing white limestone beyond. The sinking was continued downward with the plane of the slide passing through the center of the shaft. The rock at the intersection of the shaft and the slide and for some distance below, as far as seen, is compact granular white marble without any ore. There are some bluish bands exposed in the side which seem to be traces of former bedding. On the north side, about 60 feet below level IV, a dark streak about three inches wide, which seemed to be mineralized, was tested by the assay of a sample, for lead and silver, with negative results, only 2¼ ounces of silver to the ton being reported, which I regard as equivalent to nothing, for such a minute quantity might have been derived from materials used. The point which I reached in the examination of the shaft was 66 feet below level IV, some twenty feet below the intersection with the great slide.

In the winze the slide presents a broad, hard surface, rusty with iron oxide. It pitches at an angle of about 77° to the northeast. The limestone under it is not so compact as it is in the shaft, being much broken up, forming a coarsely brecciated mass about six feet wide, with some irregular threads and patches of ore, pitching off toward the wall of the slide. A sample taken from one of the patches of ore about eighteen inches long and eight or nine inches wide, yielded an assay at the rate of 31 per cent. of lead and $102\frac{64}{100}$ ounces of silver per ton. A sample taken from another point near the underlying firm limestone, yielded at the rate of 17 per cent. of lead and $39\frac{7}{100}$ ounces of silver per ton. These results agree in the main with those obtained from the ore extracted from that part of the winze, the portions remaining being remnants of what was extracted.

The appearance of the surface of the slide along the Illinois tunnel led me to the opinion that the ground to the westward of it had sunk relatively to that on the east; but in the winze and the shaft the appearances seemed to equally favor the reverse view. Repeated examinations of the walls and of fragments taken from them, failed to give me conclusive evidence on this point, which, as already stated, I do not regard as practically of great importance, inasmuch as the slide does not intersect a valuable part of the mine. Horizontal striations crossing the vertical markings, indicate a movement of the ore-bearing country-rock to the southeast.

Mr. Atwood had directed your attention, in his report and section, to the existence of a dike of porphyry traversing the limestone some distance east of the mine. It was pointed out to me by him in the Alliance tunnel, and is an interesting geological feature which very likely exerted an important influence in the mineralization of the contiguous limestone strata. Its general direction is northwest and southeast, and it is believed to be about 30 feet thick.* The relative position of this dike to the mine, the fault, &c., is shown in the annexed cross-section.

It is worthy of note that several mines in the limestone formations of Utah have been found to have comparatively insignificant horizontal dimensions compared with their

*There has not been sufficient time since my action for an examination which, perhaps, has only a scientific interest. The feldspar is glassy and well crystallized, and large crystals of hornblende are disseminated through the mine. Color to grey.

›th. As examples the Mono and the Chicago may be cited. In the Mono the horital extension of the ore is said not to be over 20 feet, while it has been followed in ›th to about 600 feet. The Chicago is even less in length, but has been worked to a ›th of 900 feet along the ore. These peculiar conditions are not so far characteristic ›he Emma deposit of ore, which has considerable lateral extension at the top, comed with its prolongation in depth; but they illustrate a general fact of horizontal itation and isolation of the ore-deposits. The Emma deposit may, in fact, be reded as double, but connected by a thinner portion of ore, the dividing region beeen the old chamber and the new chamber, or bonanza, so called. The average dinsions of the old chamber were about 70 feet long, from 20 to 50 wide, and 150 feet ›p; the second chamber was considerably longer and thinner above, and extended about twice the depth, including the narrow pipe-like portion.

'he total production of the mine from January, 1871, to October, 1874, including the › concentrated,* was 25,700 tons, according to the following tabular statements awn off from the records in the office at the mine:

atement showing the amount of ore forwarded from the Emma Mine from January 1, 1871, *to December* 31, 1872.

Date.	Tons.	Pounds	Date.	Tons.	Pounds.
1871.			1872.		
›nuary	1,708	951	January	861	382
›ebruary	740	362	February	200	1,615
›arch	255	1,878	March	234	1,690
›pril	56	735	April	383	1,365
›ay	53	1,000	May	650	1,672
›ne	2,183	1,610	June	23	1,225
›ly	2,196	1,965	July	264	1,195
›ugust	1,186	1,180	August	689	179
›ptember	350	1,188	September	1,729	282
›tober	216	1,320	October	1,838	205
›vember	86	1,725	November	1,101	945
›cember	453	370	December	1,602	1,850
Total	9,519	329	Total	9,480	1,105

›tement showing the amount of ore forwarded from the Emma Silver Mine from January 1, 1873, *to October* 31, 1874.

Date.	From mine.		Concentration.		Date.	From mine.		From concentrating.	
	Tons.	Lbs.	Tons.	Lbs.		Tons.	Lbs.	Tons.	Lbs.
1873.					1874.				
›nuary	785	340	.....	.....	January	194	680	16	460
›bruary	312	810	.....	.....	February	191	1,940	.....	.....
›rch	797	1,080	.....	.....	March	175	960	.....	.....
›ril	770	1,078	.....	.....	April	126	1,000	.....	.....
›y	196	1,410	21	1,000	May	63	370	.....	.....
›ne	280	618	36	1,044	June	33	1,370	368	600
›ly	234	1,815	183	997	July	5	850	260	.....
›gust	221	880	220	95	August	.....	.....	263	1,400
›ptember	174	510	357	1,275	September	.....	.....	208	1,450
›tober	391	190	236	290	October	.....	.....	24	70
›vember	238	530	149	1,260		.....	.....	.....	.....
›cember	192	190	20	500		.....	.....	.....	.....
Total	14,594	1,801	1,225	461	Total	.....	.....	.....	.....

(Copy from the press copies and duplicates of original reports in the office of the Emma Mine, Little ›ttonwood, November 28, 1874.)

It is said that the quantity taken out from July 1, 1870, to July 20, 1871, was about ›,000 tons, and that from 1,000 to 1,500 tons were previously extracted. To cover ›is probably from 3,000 to 4,000 tons should be added to the above aggregate, making ›e total production, in round numbers, 30,000 tons, approximately.

* Mr. Atwood has rendered great service to this property by gleaning the old workings of the ore ›xed with fillings, &c., and dressing them into merchantable condition, so that they bear transporta›n with profit. The second-class ores of the dump have also been successfully worked over. The ›essing-floor and apparatus are well and economically arranged.

The ore in June, 1871, ranged, by assay, from 30 to 63 per cent. of lead and from 100 to 163 ounces of silver per ton. The average was considered to be 45–50 per cent. lead and 160 ounces of silver. The average of ore taken out from June 1, 1870, to June, 1871, was, according to Mr. Atwood's report, 45 per cent. of lead and 135 ounces of silver per ton of 2,000 pounds.

In closing this report I beg to refer to the opinions I expressed of the Emma Mine in 1871, a copy of which I have already furnished to you. I also submit for your information a copy of the plans and section made at that time with explanatory notes.

Respectfully, your obedient servant,

WM. P. BLAKE,
Geologist and Mining Engineer.

NEW HAVEN, CONN., *December* 14, 1874.

Q. Do you confirm the statements of that report under oath as your belief?—A. I do. I would like to say that, upon examination of the mine, I found my first views were confirmed—that the new body of ore reported to be struck was a prolongation of the first; that there was a thin septum or division, and a pinching out in the upper levels of the body of ore; that the ore was continuous from one part of the mine to the other.

Q. Did you find those slides of which they have spoken?—A. I found the slides very well defined.

Q. Did you follow down the explorations that had been made with reference to the slide?—A. I followed to the bottom of the mine, and had it pumped out for the purpose, and waited there a long time.

Q. Have they followed down the hanging wall, or have they driven into the rock?—A. They have cut through that slide. There are no well-defined walls, except in a general sense; in a technical sense, there are no walls now. It is not a fissure-vein.

Q. Do you express any opinion in your report as to the probability of finding any fresh ore masses below, or have you given any judgment upon that subject?—A. I considered it highly improbable. There is not only the doubt which rests necessarily upon the question, due to the peculiar nature of the deposit and the ore being in limestone, but if all the conditions were of the most favorable character, this enormous slide cuts off all the ore that might be there if it was a fissure-vein, and no one can tell how far it may have been thrown by this slide. This slide is of great extent, and no doubt is very deep-seated. The walls are very straight, and extend for hundreds of feet, not only in the Emma Mine but in the North Star openings beyond. In cutting through that wall, the limestone is found to be harder and more compact than the other, and of a different nature. There are also many other slides in the mine in different directions. The rock is broken up very much by slides and counter-slides. This movement in breaking up of the rock has, to my mind, produced the curiously brecciated character of some portions of the ore-mass. The workings not only of the Emma Mine Company were examined, but the workings beyond of the North Star, up the hill, were examined with it. A great deal of work has been done by the North Star Company and by other companies in that direction, all of which work is so much accomplished toward the present prospecting or development of the ground. No ore of any great value is found in those workings, and in the North Star workings the ore that was found there was highly ferruginous and was not in very large quantity. As bearing, too, upon this question which you ask me in regard to the future, it is important to know that the ore-mass thins out and dies out before the slide is reached; that is, the slide is some distance beyond the point at which the ore-mass gives out. It does not clearly appear that the slide has cut the ore-mass in two.

Q. How is it in the bottom of the mine? You say you had it pumped out; was there any evidence of a vein still left in the bottom?—A. No evidence of a vein. There were some little black manganiferous patches in the hard limestone. They were dark colored, and looked like ore. There were some little nodules up to the size of a man's fist, and there were some patches 18 inches in width. Samples of those were carefully taken for assay, and on being assayed were found to be without silver.

Q. Were there still signs of a joint going into the bottom of the mine?—A. No sign of any joint, or fissure, or ore-channel whatever.

Q. What distance was it from the place where you found these last ore-traces, that contained no silver, to the slide?—A. They were not over 5 or 6 feet from the slide.

Q. How far do you suppose the last silver-bearing ore was from the slide?—A. My recollection of that is that it was about 40 feet; but I am not positive now without reading up my notes.

Q. Did you go into the Flagstaff Mine?—A. I did, at my first visit in 1871.

Q. But since then, have you been there?—A. I have not since been in the Flagstaff.

Q. You have not, then, examined the new body of ore found in that mine?—A. I have not.

Q. Did you see any signs of the slide in the Flagstaff Mine?—A. I saw none when I examined the mine.

Q. You do not know, then, whether there are slides in the Flagstaff Mine?—A. From observation, I do not, but I should think it very probable there are. I would like to have you place in connection with this evidence the fact that when I first examined this Emma Mine it was with reference to a pending litigation, the circumstances and details of which I knew nothing about, but I was requested to inform myself of the true nature of the mine, the character of the vein, and its probable extent and continuity, its direction, and all such information as might be important in a lawsuit, as regards possession or territorial lines of division. The view then held was that this mass of ore extended in a northeasterly and southwesterly direction. I immediately reported that this was not the case, and that it extended in a northwesterly direction, at right angles to the assumed direction. I reported these facts to my clients. I regarded myself as being retained by them to examine this property, and to give the benefit of my opinion and the best knowledge I had on the subject. I reported the facts to Mr. Phelps, verbally, who was at Salt Lake at the time——

Mr. PHELPS. Not to my recollection, most certainly.

The WITNESS. Yes, I did, and in the presence of Mr. Park part of the time. I also, at the request of Mr. Park, told Mr. Silas Williams the direction in which I supposed ore might be found, to the northwest instead of the southeast. I met in the mine, when I was there, a mining engineer whom I had often met before in Nevada, in the Comstock mines, and I found from him that he was making a survey, with reference to the litigation for these other parties. If my letter had not been used in such a manner as to misrepresent me in England, without my knowledge or consent, and greatly to my injury, as I consider, I would not have felt permitted in honor to have said anything about my opinion, having been retained by these parties and paid by them. But this misuse of my opinion compelled me to defend myself.

By Mr. SPRINGER:

Q. When you examined this mine in 1874, and made this report,

did you place any estimate upon the cash-value of the property at that time?

The WITNESS. I suppose I can state it, if there is no impropriety in giving the information I was retained to get for my clients.

Mr. FAULKNER. I don't think there ought to be any difficulty in answering the question.

Mr. PHELPS. I hope the gentleman won't feel any difficulty on our account. We are perfectly willing Mr. Blake should answer.

The WITNESS. My opinion given to the owners, the chairman and solicitor of the company, was that the mine was worthless.

By Mr. HEWITT:

Q. That was after this last exploration?—A. Yes, sir. I thought that it was not worth defending or retaining, and that the sooner it was abandoned and given up the better.

By Mr. SPRINGER:

Q. Is that your opinion still, so far as you know?—A. It is decidedly, and it is based not only upon the mine, but upon the direction in which the mine is located.

By Mr. HEWITT:

Q. What do you mean by "the direction in which it is located?"—A. The direction was located at right angles to the direction in which the ore was found to extend.

Q. And you think they could not hold the ore after it passes from out the location?—A. I think so.

Mr. PACKER. That may be a question of law; but that enters into the basis of your opinion.

A. Yes, sir.

By Mr. MONROE:

Q. You think that the vein may continue, but in another direction?—A. I think the direction in which the ore is likely to be found is at right angles to the direction located.

Q. And therefore not on that claim and not belonging to the Emma Mining Company?—A. No, sir.

By Mr. HEWITT:

Q. If the ore is found, do you think it would be a continuation of any vein or spur now found there?—A. That is another point. It would not be *per se*. You could not state positively that it was upon the same vein, because there is no leading vein; there is no vein-stone which connects one mass of ore with another, as is usual with fissure veins. The masses of ore are distinct, and, I think, would be regarded always as distinct.

Q. If a mass were found at some distance from the old mine, beyond the slide, could you call it technically a spur?—A. You could not. You could not say for certain that it had any distinct connection with the Emma deposit, as it is called. Those masses are entirely disconnected, and have no special connection with each other.

Q. And not being connected, and being in another location, the Emma Company could not hold it.—A. I take the ground decidedly as an expert that if one mass of ore in a limestone belt of that kind were worked out, it does not necessarily follow that another mass of ore some distance from that mass is the same, or is connected with it. They may be distinct in formation and origin. That is already recognized in the lead

gion of Missouri, where the miners' rights are defined by the bunches ' ore they get, and not by continuity. They are recognized as distinct ıd separate; and these masses in the limestone in Little Cottonwood ıñon have, to a great extent, the same peculiarities.

By Mr. SPRINGER:

Q. When was the first exploration or examination you made of the mma Mine?—A. July, 1871.

Q. The next one was in 1874?—A. I made two visits to the Emma ine in July; perhaps they also extended to August, but I do not re- ember. I went back to Salt Lake after my first visit to the mine, and en went up to the mine again. I went again to the Emma Mine in 74.

Q. Were the examinations you made in 1874 confirmatory of the ›inion you formed of the mine in 1871?—A. They confirmed thoroughly y previous conclusions as to the character of the mine and the nature the deposit.

By Mr. PHELPS:

Q. Which one?—A. My opinion formed in 1871.

Q. Which one in 1871?—A. I had but one opinion of the mine at that me.

By Mr. SPRINGER:

Q. And that opinion is expressed in both communications you ad- ressed to Mr. Park?—A. Yes, sir; those are the only written commu- ications I made at that time.

Q. Did your subsequent examination of 1874 lead you to believe the ine was less or more valuable then than it was in 1871?—A. It was ›t merely a question as to the quantity of ore in sight, but the devel- ›ments being much more extensive in 1874 than they were in 1871, not ly in depth but in length, my opinion was strengthened that the 'posit was local and without continuity.

Q. Have you read Professor Silliman's reports in regard to it?—A. I ad them some time ago.

Q. Did you read a report in 1874 by the examiners who set out from ›ndon?—A. I read all, I think, that has been published.

Q. Did you see in sight any of the quantities of ore that was repre- nted in those several reports as being in sight?—A. I saw a portion that ore. There were other portions that I did not see in 1871, which ere developed after I left. The portion which I saw was that part of e ore below the tunnel—below what was called the tunnel-level—the or upon which the long tunnel entered the mine.

By Mr. HEWITT:

Q. You say you discussed with Professor Silliman the development the mine which he reported and which you did not find. Did he tisfy you in the discussion that there was the quantity of ore he sup- ›sed there was?—A. I have no recollection of any discussion as to the ıantity of ore. The statement made to me was in general terms, that ie mine had greatly improved; that it presented a very different ap- earance, and a much better appearance than it did when I saw it; that ie developments had been very satisfactory, and that it was better in epth—the ore was growing richer and better, and it was a regular vein.

Q. Did you controvert that opinion?—A. No. He made merely a iendly call after his return to inform me apparently of the great change r the better in the mine. I had no discussion in the ordinary sense of

the word with him about it. I did not try to refute him or to change his opinion. I merely heard his statements and facts and expressed my satisfaction that the mine was looking so much better.

Q. Did he satisfy you that you had been in error as to your judgment on the question as to whether it was a vein or not?—A. He did not satisfy me on that. I have never been shaken in my convictions with regard to it, but it was a matter I did not care to discuss with Professor Silliman, because he had expressed positively his opinion that there was a vein, while I was positive that there was not a vein. It was a difference of opinion which I had no desire to discuss with him.

By Mr. CHITTENDEN:

Q. You have spoken of being retained by certain parties: are you a lawyer?—A. No, sir.

Q. What do you mean by that expression, "being retained?"—A. That I was asked, as a mining expert and mining engineer, to render services in this matter and to give information in regard to the nature of this mine, and I was to be paid a fee for it.

A. It was also expected that in a certain contingency you would be a witness?—A. Yes; there was a provision that if the suit should go on at any subsequent time I should hold myself in readiness to go to Salt Lake to give evidence of what I knew on the subject.

Q. Then you were retained as an expert and as a witness—is that what you mean?—A. I was retained to make this examination. It is usual in mining cases, I will say, where the lawyers are not themselves miners, and therefore not competent to discuss mining questions, to secure the services of some persons who are. These persons are called experts, and they receive compensation for the professional labor they give.

Q. You were afterward retained by the Emma Mining Company (Limited) of London?—A. Yes, sir.

Q. You were retained by them in the preparation for litigation against your former clients?—A. I did not know what the purpose of this examination was, but I was open to an engagement; I made an engagement, and was compensated for it.

Q. Did you not know that you were retained by the Emma Mining Company, through its chairman and solicitor, and that they contemplated a suit against the parties in whose behalf you had formerly been retained?—A. I concluded that that was their purpose. They did not tell me at the time when I was retained what their intentions were fully or what was their plan of operations. They wished to know about the mine, and wished an opinion about it from me.

Q. Is it usual for experts to change sides, to go from one side of a controversy to another?

Mr. HEWITT. You had better ask him first if it is the same controversy.

Mr. CHITTENDEN. My question is asked, and it is proper, and I ask respectfully for an answer.—A. No, I think not.

Q. In the summer of 1871, did you examine and report on the Flagstaff Mine?—A. I did.

Q. By whom were you employed?—A. I think the party was Mr. Irwin Davis, through an agent.

Q. Did you make a report upon it?—A. I did.

Q. That was on the same visit, was it not, when you were examining the Emma Mine?—A. It was the same visit to Utah.

Q. And that report was sent to London, wasn't it?—A. I supposed it was sent to London. I did not send it.

Q. You understood the mine was sold in London on that report?—A. I saw afterward the prospectus of the mine in London.

Q. And that contained that report of yours?—A. Yes, sir.

Q. In that report, did not you express a favorable opinion of the continuity and persistence and value of the Flagstaff Mine, on account of the developments that had already been made in the Emma Mine?—A. I do not recollect having based any opinion in regard to the Flagstaff upon what had been done in the Emma Mine. I doubt if I did.

Q. What did you say about the Flagstaff?—A. I cannot now remember.

Q. Did you think it was on a vein?—A. I can tell if you will produce the report.

Q. Did you express the opinion that the Flagstaff was on a vein?—A. The appearances at the Flagstaff were much more favorable for its being a vien than at the Emma.

Q. Did you express the opinion that the Flagstaff was on a vein?—A. Not in those words.

Q. But did you express, in some words, that opinion?—A. I think it not improbable that I expressed the opinion that the Flagstaff was a vein, but I did not characterize it as a true fissure-vein.

Q. You went up to the Emma Mine previous to the 26th of July, 1871, which is the date of your first letter?—A. Yes.

Q. On that occasion, were you accompanied by Mr. Sewell and Captain Nancarrow, two English mining experts?—A. I was not accompanied by them. I saw them at the mine.

Q. They went through the mine with you?—A. No, sir; I do not know that they did. I had nothing whatever to do with them; I had no connection with Mr. Sewell or Mr. Nancarrow.

Q. Did they go through the mine with you?—A. I think that Captain Nancarrow did not, because he was laid up with a sprained ankle. I may have met Mr. Sewell in the mine, but I do not remember certainly. I did not make any examination of the mine in connection with him.

Q. Was Mr. Arthur Lewis in the same part of the mine with you when you went through the mine on that occasion?—A. Mr. Arthur Lewis was at the mine, and entered it, I believe, and may have made some examination on his own account while I was there, but not in any manner with myself.

Q. Was Mr. Park with you?—A. Mr. Park was there a part of the time while I was there.

Q. Was Mr. Phelps with you?—A. Mr. Phelps, I thought, was not there. I think he was at Salt Lake. I do not remember seeing him at the mine.

Q. Was Mr. Silas Williams with you?—A. Mr. Silas Williams arrived at the mine about the time I left. I mean, by that, he was there, in some way connected with the mine, about the time I left; he may have been there simply as a visitor during the time of my examination.

Q. You met all these gentlemen I have named on that occasion, except Mr. Phelps, then?—A. Yes.

Q. Did you express to any one of these gentlemen any unfavorable opinion in regard to the Emma Mine?—A. I did not talk freely with any of these gentlemen.

Q. Did you express any unfavorable opinion to any of them?—A. Yes, I did.

Q. To whom?—A. To all of them.

Q. Can you tell what day you came from the mine down to Salt Lake?—A. I do not remember. I presume I can tell by my notes.

Q. For what purpose was this first letter written?—A. Mr. Park requested me to write him a letter, which he would want in New York to show to General Baxter and some of his friends.

Q. What for?—A. He did not state what for. He wanted my general views of the mine.

Q. You understood that General Baxter was his co-owner, did you not?—A. I did.

Q. It was also understood between you that this was not to be used for any other purpose than to show to General Baxter?—A. It was; I so understood it.

Q. Did Mr. Park express any wish to you that you should deceive his copartner in respect to the mine?—A. Not at all.

Q. He wanted that you should give to General Baxter your views about it?—A. He wanted that I should write a letter to himself (Mr. Park) and General Baxter.

Q. Was this first letter written to himself and General Baxter—the letter of July 26?—A. I so understood it, [after looking at it.] This is addressed to H. H. Baxter.

Q. You swore the other day that you mailed that letter.—A. I did.

Q. Do you remember it?—A. Certainly; I mailed my letters. I cannot give you all the details or the moment the first one was mailed, but it was mailed, I think, in the evening, shortly before the mail closed. I was anxious to get it off.

Q. You remember distinctly putting it into the post-office?—A. No; I do not.

Q. You remember about its being in the evening?—A. Yes, sir. I remember I was hurried to get the letter off.

Q. Was Mr. Park there?—A. No; Mr. Park had left; he was not there.

Q. You had been two or three days engaged in the preparation of that letter, hadn't you?—A. I think probably two days.

Q. You wrote Mr. Park a letter on the 25th, did you not, saying that you had not been able to get off this letter, but you should send it the next day?—A. I do not remember that; it is very possible.

Q. What do you remember about mailing the second letter?—A. I wrote the letter, and dispatched it as I did the first. It has been my clear and distinct recollection ever since that it was sent.

Q. To whom was the second letter directed?—A. I am not positive whether it was directed to General Baxter. My recollection is that it was directed to Park and Baxter.

Q. How came that difference in the direction; can you explain that?—A. I cannot. I deemed it proper that they should both be addressed.

Q. You have put down the direction "45 Wall street" on the letter of the 26th; why did you not put that direction on the letter of the 27th?—A. I think very likely I did.

Q. Look at your copy of it.—A. That is not the copy of the envelope.

Q. Look at the direction of the letter itself.—A. This is not directed to the city at all.

Q. While you had their direction, and put it on the first letter, "45 Wall street, New York," you left it off the second one, written, as you say, the next day.—A. It does not follow because it is not on the copy that it was not on the superscription of the envelope. I would not send the letter without its being directed to the office.

Q. Will you tell us what the direction of that envelope was?—A. I

ıave no doubt that it was directed to 45 Wall street, to the office of the Emma Mining Company. Whether it was addressed to Messrs. Park ınd Baxter, or to Mr. Park alone, or to Mr. Baxter alone, I cannot be positive, because I do not remember anything about it.

Q. You do not remember anything about it?—A. I have no distinct recollection of the appearance of the envelope.

Q. Can you give any explanation of the difference in these directions, while the letters were written only a day apart?—A. Certainly. Here ıre the drafts of the two letters: one is "45 Wall street, New York;" the next is without the "Wall street." Those drafts were not intended for ;ransmission. They were for me to keep; it was not necessary that I should add "45 Wall street" on the copy.

Q. But you did add it to the first one?—A. Yes; it is on the first one.

Q. Why did not you add it to the second one?—A. I cannot tell why it was not added on the draught.

Q. You do not remember anything about the second one?—A. I remember about its being written and mailed the same as the other was.

Q. Did you mail this letter of July 27, 1871, at the post-office to Baxter and Park, or either of them?—A. I mailed the letter. Whether it was mailed at the post-office, or at the usual place at the hotel for letters, I am not positive, and do not remember.

Q. Have you any personal recollection of having mailed that second letter anywhere?—A. There is nothing stronger in my mind than that mailed the letter. It was very important to get the letter off in time or the mail, and I remember distinctly my anxiety on the first day to et my letter off in accordance with the request of Mr. Park, and equally ıy anxiety on the next day to get off the second letter. That I got ıem off and kept copies of them is very clear in my mind. I cannot ll you the moment they were mailed. My recollection is the second ıe was mailed in the afternoon, and exactly as the other was mailed.

Q. You won't swear whether you put it in the post-office or left it at e hotel receptacle for letters?—A. I would not swear to it.

Q. You next saw Mr. Park after this mine had been sold, about May June, 1872?—A. That is my impression. It was in 1872, after he turned from England.

Q. At that time, did you know that this clause had been put into the rospectus in London?

The wonderful extent of this mass of ore, the rapidity and ease with which it is tracted, and its high value, make this mine unique in the history of mining in the nited States, while it compares with the most brilliant and magnificent developments the silver regions of Mexico and South America.

A. Yes, sir.

Q. And did you then suppose that Mr. Park had received a letter om you containing this clause: "As to the occurrence of other ore lasses or chambers beyond, either horizontally or below, I can only say hat there is a probability of finding others, but it is by no means cerain that they will be found, and I would not count much upon them. t the present rate of extraction, the mine will soon be stripped, and or the present practically exhausted, at least for some time, or until nother body of ore can be found?"—A. I did.

Q. And yet you said nothing to him about it?—A. No; nothing. It as his business to speak to me about it.

Q. But I thought you felt indignant at the way you were treated?—A. I did.

Q. But you made no reference whatever to the fact that he had com-

mitted a fraud by a suppression of that opinion about that mine?—A. That is another question. I did make reference to that.

Q. What did you say?—A. I said, "Mr. Park, you have made use of an extract from my first letter;" or something of that kind.

Q. Was not it a fair extract?—A. I added, "which did not fairly represent me." That was the gist of what I said.

Q. And yet you said nothing about the second letter?—A. No.

Q. Did that extract unfairly represent your first letter?—A. It did.

Q. Wherein? What word or sentence in that first letter is inconsistent with the quotation in the prospectus?—A. Here is one sentence:

The ore is in general soft and earthy, and easily excavated with the pick and shovel alone. It is the result of the decomposition of galena and other sulphides bearing silver. It consists chiefly of the carbonate and oxide of lead, with some galena, intermingled with oxide of iron. It may be said to be without gangue, being in this respect very peculiar, for in most veins ore is intermingled to such an extent with quartz and other vein-stone that it must be separated by hand-sorting, or other mechanical means, before it can be worked or shipped.

Q. Point out wherein that is inconsistent with the extract in the prospectus.—A. This statement that the ore is without gangue is upon its face a statement that there is no vein-stone, and it is easy to see that the future of a mass without a vein-stone in limestone cannot be regarded with great confidence; that has been the universal opinion and testimony of miners.

Q. Point out any instance of this inconsistency.—A. Yes, here it is again:

It is not to be expected that the ore ground or vein will continue to have the extraordinary dimensions mentioned. The ore-mass will, of course, vary in its thickness and will be found to contract or expand, as is usual in all veins. This is already evident at several points in the mine.

Q. What is there inconsistent with the extract in the prospectus in that?—A. It is stated as a qualification that the ore-mass is not to be expected to continue.

Q. But it is expected to contract and expand as is usual in all veins?—A. Certainly.

Q. You did not think it was a vein then?—A. I did not think it was a fissure-vein.

Q. When you wrote that sentence did you think the Emma Mine was upon a true vein?—A. I did not.

Q. What did you mean by comparing it with other veins, then?—A. It may be properly compared with other veins, and the word vein may be applied to an "ore-mass." In the usual and ordinary sense of the word, it is very common to use the word vein in reference to all mineral deposits, but it is not, perhaps, so strictly accurate as it might be to use the word "vein" in this case, when you are speaking of a bunch of ore. I should have been much more careful in regard to the use of the word vein, if I could have foreseen anything of this sort. You will observe, in this same sense I have used the words "ore-ground" and "ore-mass," and I have in the very same sentence that this word "veins" occurs recognized the fact that the Emma is not a vein.

Q. Do you use "vein" and "ore-mass" in a vein as synonymous terms?—A. I have, perhaps, in this letter. This letter is not a carefully prepared report.

Q. Have you here used "ore-mass in a vein" as synonymous with a "vein"?—A. It may be so considered; the ore-mass will of course vary; and again in the next sentence I say "the mass follows the stratification of the limestone."

Q. I call your attention particularly to this extract:

The wonderful extent of this mass of ore, the rapidity and ease with which it is extracted, and its high value, make this mine unique in the history of mining in the United States, while it compares with the most brilliant and magnificent developments in the silver regions of Mexico and South America.

What idea of the Emma Mine did you intend to convey to General Baxter, to whom this letter was written, by that language?—A. The language is a little too elegant and flowery, but the idea was to do justice to this remarkable deposit.

Q. Did you believe that to be true when you wrote it?—A. I did.

Q. Did you believe the whole of that first letter to be true?—A. Yes, and believe it to be true now.

Q. Did you believe when you wrote that, that the mine would soon be stripped and exhausted?—A. I did unless other bodies of ore should be found.

Q. Have you not described in this first letter in general terms an ore-chamber from 20 to 50 feet in depth, and about 70 feet in length, and 75 feet in height?—A. I have; I tried to describe the mine as it was.

Q. You describe it as an ore-chamber about 75 feet in height, from which you say, in round numbers, about two million dollars had been taken?—A. I do not remember those figures; I presume that that is about my idea of it, though. I do not find two millions of dollars mentioned in the letter, but I do not dispute the general statement that it was about that.

Q. You say the space above the tunnel is divided into ten floors:

Upon the upper floors, as far up as the mining has progressed, there are very large masses of galena in sight upon the side of the hanging-wall. Many tons can be thrown down at once, and it is the only ore and only place in the mine where powder can be used to advantage. This ore presents a splendid appearance, and is the largest body of galena I have ever seen in a mine. It assays about 90 ounces of silver to the ton. It is probable that this ore extends upward to within a few feet of the surface.

Did you not by that language intend to describe a chamber that had ore overhead extending up toward the surface, until within a few feet of the surface, as you thought?—A. Yes, sir.

Q. You have mentioned a tunnel-level here and you say:

Below that level a winze has been sunk 53 feet, and another, or "sump-hole," 16 feet lower, giving, in all, about 70 feet in depth below the tunnel-floor, and all of the way in ore.

At the time you were there, was not that winze the only exploration of this ore that had been made below the tunnel-floor, just as you have described here?—A. By no means; it was not the only exploration.

Q. What other one was there?—A. There were several galleries and floors below from which the ore had been excavated—I think six.

Q. Did you go down as deep as this winze?—A. Yes, as deep as the winze, but not as deep as the sump-hole.

Q. You say, further—

Even the full width of the mass, in several places, is as yet unknown, for ore has been left standing on the sides, on both the hanging and foot walls, and in such places no definite walls have been seen. Yet the dimensions already given may be assumed as the limits of the mass above the tunnel-level, except at the ends, in the direction of its length.

Do you describe any explorations that have been made below the tunnel-level, except this winze and sump-hole?—A. As you have read it, I do not recognize any special description of this.

Q. You could not tell how far down this ore-mass extended, then, could you?—A. No.

Q. You describe here, in this letter, that at both ends of this cham-

ber, in the direction of the vein, the ore had been left standing, do you not?—A. I do.

Q. And you recommend that exploring-tunnels be run each way, northwest and southeast, in the ore-ground, to ascertain its extent in those directions?—A. I do.

Q. You recommended those tunnels to be run because you did not know how far that ore extended, did you not?—A. Not because I did not know, but because it was the best place in which to look for ore.

Q. What do you mean by "exploring-tunnels should be run each way, northwest and southeast, in the ore-ground, to ascertain its extent in those directions?"—A. Precisely what I say.

Q. Was that what you recommended the tunnels for?—A. Certainly.

Q. Then you did not know its extent?—A. Certainly not.

Q. You have described the ore-chamber with ore on all sides of it, top and bottom and each way, and the hanging-walls in many places not found. In your second letter you say:

There is a chance that any one of the masses and seams now standing at the ends o the chamber, or in the bottom, may soon open out into large chambers. I cannot say that they will not, but having a strong conviction that the present ore-mass is the largest and principal one, and that it will be tedious and difficult to mine for others, it is my duty to state my opinion for your consideration and guidance.

Where could you see a seam in that chamber upon your description before, on the 26th of July, 1871?—A. There was one end of the long drift extending out under the line of the shaft; there was a seam crossing the end of that drift. running off to the northwest.

Q. Was that in one of the ends of the mine that you recommended to be explored?—A. It was in one of the extreme ends of the mine, the drift which had extended to the northwest; and as such an indication was regarded by me as important, my recommendation was to drive to the lower level, for the convenience of driving. I recommended driving on a lower level which had not extended so far, because it was more convenient to drive and remove the material.

Q. Where did you discover any other seams?—A. There were these seams of ore, varying in thickness from a quarter of an inch to half an inch.

Q. Where were they on the 26th of July, when this ore-chamber that you have described had ore all around it?—A. They were at the northwest end of the ore-chamber and at the southeast.

Q. At those places where you recommended exploring-tunnels to be run in the ore-ground to ascertain its extent, was it there where you found the seams?—A. Yes.

Q. Can you run a tunnel in what you term a seam?—A. Certainly; you may run a tunnel in a solid rock with or without a seam. A seam is a good indication to follow.

Q. You recommended following these little seams; is that what you recommended by these exploring-tunnels?—A. Yes; I recommended following the northwesterly direction, and would keep upon a seam by all means, if I could find one.

Q. You wrote this second letter at Salt Lake the day after you had written the first?—A. Yes.

Q. Had you been to see the mine in the mean time?—A. No.

Q. Had you got any new information from it in the mean time?—A. None whatever.

Q. Why did you not put into your first letter this emphatic condemnation of the mine?—A. My first letter did not exhaust the subject by any means. The second letter, as I have explained here, was written

after I had dispatched the first, and I felt that I had not given as full an expression of my opinion about the future of the mine as, perhaps, I ought to do; and, therefore, I hastened to extend it, and to write the second letter, and to close the matter up.

Q. There was nobody there hurrying you up about the first letter, was there? Mr. Park had gone?—A. My impression is that Mr. Park desired a letter to be written at a certain time, so that he could get it. He himself had gone away.

Q. So that he could get it where?—A. In New York.

Q. He wanted it by a certain date, did he?—A. My recollection is that he wanted it sent off by a certain time, so that he might receive it by a certain time.

Q. While you were preparing this first letter, what room did you occupy in the Townsend House?—A. I can tell you what room I occupied; it was the corner room, or rather a room on the north side of the hotel—one of the old rooms in the extreme end of the building.

Q. On which floor was this room?—A. On the first floor.

Q. Was Mr. Selover in and out of your room while you were preparing that first letter?—A. Yes.

Q. Did you read it to him?—A. I read the first letter to him, or the copy or draught of it.

Q. Did you ever read the second letter to him?—A. It is my recollection that I did, but I am not positive about it.

Q. You have a recollection that you read the second letter to him—is that what you mean?—A. That is my impression, that I read the second letter to Mr. Selover as well as the first.

Q. On the 27th of July, 1871, in the early morning, when the stage left the Townsend House, or Salt Lake, for the Emma Mine, did you not take it and go to the mine?—A. I do not remember the time of taking the stage, but I can tell probably by my notes.

Q. Will you look at your notes and see?—A. (Referring to his note-book.) No, sir; I left Salt Lake City on July 28, at seven a. m., by stage for Little Cottonwood, the Emma Mine. I am very careful about my note-books, scrupulously and religiously so.

Q. When you first came to Mr. Park, before you went out there, you solicited employment, did you not?—A. I did.

Q. You told him you were poor, and had nothing to do, and asked him to find some work for you, did not you?—A. I do not remember that I used those words, but I am perfectly willing to state what my impression is about it. I had heard about this Emma Mine as being one of the most remarkable mines at that time, and that it was the beginning of a great development in Utah. I went to Mr. Park, and not being then engaged, I told him that I would like to go out there, and would be very glad if he could get anything out there for me to do. I am perfectly willing to say that I solicited going out there.

Q. Did you not tell him that you had many friends in England, who could aid him there in the sale of this mine?—A. I do not remember that; but it is possible, even quite probable.

Q. Did he not reply to you that the mine could not be sold until the patent was obtained, and that that was a good ways ahead?—A. I do not remember that.

Q. He employed you to go out and make a survey of this mine in reference to the pending litigation with Lyon, did he not?—A. He did not in those terms; he employed and required me to come out there. He made no special arrangement until I reached Salt Lake, and then spoke

of this pending litigation, and required me to be employed with reference to that.

Q. Let me refresh your recollection a little. Did you not, before you left at all, go to Mr. Baxter and get $500 in advance to pay your expenses out there?—A. Yes; I have not forgotten that at all.

Q. You say Mr. Park had made no arrangement at all with you before you left?—A. No specific arrangement to examine the mine for any specific purpose.

Q. But he had made an arrangement in reference to your compensation?—A. No; I think the terms of my compensation were not fixed; I think that was done at Salt Lake.

Q. You think he allowed you to go out there on his request without fixing the terms of your compensation?—A. I do.

Q. What were the terms you made at Salt Lake?—A. My recollection of terms is, that I was to receive $2,000 for my examination of the mine, and to inform myself thoroughly regarding it in preparation for a coming lawsuit, and that if I required assistance I was to have it, and particularly that if I made a survey I was to have the services of a surveyor, and that if I made maps I was to have an additional compensation of $500; that is my recollection of it. There was a difference of opinion afterward in regard to that point.

Q. I want your recollection of the first part, first; we are coming to the other by and by. To sum it all up, how much did you understand you were to be paid?—A. Twenty-five hundred dollars, I understood; $500 of it contingent upon my having to come out again to Salt Lake. My expenses were to be paid; and there was something said about the possibility of requiring a report upon the mine; and finally it was arranged that if one should be required it was to be a subsequent arrangement; and if I prepared maps I was to have the services of a surveyor, and that expense was to be paid by the Emma Company.

Q. When you returned to New York Mr. Park had gone to England, had he not?—A. I think he had gone to England, but I know nothing about his movements except by hearsay.

Q. On your return to New York, did you go to General Baxter and find fault because Mr. Park had not taken you to England to help sell this mine?—A. No; I think I found no fault. I went to General Baxter and found fault that the maps were not taken. I said that I had taken a great deal of pains with them, and done a great deal of hard work there, and had secured the maps, which were very important, as I thought, to the property, and I wished him to take them and send them to London to Mr. Park.

Q. Please observe my question carefully: Did you not complain to General Baxter that Mr. Park had not taken you to London to aid in the sale of that mine, as you claimed that he had agreed to do?—A. I do not remember making any such complaint, but I complained about the maps not being taken.

Q. I have not asked anything about the maps: Did you not complain to him that Mr. Park had not taken you to London to help the sale of the mine, as you said he had agreed to do?—A. I remember no such complaint.

Q. Did Mr. Park agree to take you to England to help sell the mine?—A. No; Mr. Park did not agree to take me to England to help sell the mine.

Q. Was there any talk between you on that subject?—A. There was something said about his wishing to sell the mine—perhaps wishing to sell it in England.

Q. I am asking about your being employed to help sell the mine.—A. I am talking about that; he expressed the wish or thought that perhaps he would want to sell the mine in London, and, if so, would want a report upon the mine.

Q. What did you say to that?—A. That was at Salt Lake City, before I examined the mine. I was then willing to make a report.

Q. Did Mr. Park tell you that a report would be useless to him made by a man employed by him?—A. No; I do not think he did.

Q. You do not remember anything of the sort?—A. No.

Q. You went to General Baxter, and wanted $3,000, did not you, after you came back from Salt Lake?—A. No; I did not ask him for any $3,000.

Q. What did you ask him for?—A. I asked him to take the maps and to compensate me for them—that I had done the work, and they were very accurately done, and they were, as I thought, impcrtant to the mine, and I wanted him to take them and pay me for them.

Q. How much?—A. Five hundred dollars, is my impression.

Q. You only asked $500, do you mean?—A. In addition to the fee already named and agreed upon.

Q. How much money did you ask General Baxter to pay you, then, altogether?—A. I do not remember. I am sure that I did not ask anything more than was compassed by the balance due on the original understanding, *plus* the $500 for these maps, which, however, they had not positively agreed to take.

Q. How much money did you ask General Baxter to pay you?—A. I may have asked him for the balance, which amounted to perhaps $1,000, but it was postponed until Mr. Park should come back.

Q. Did you not ask him to pay you $3,000?—A. I have no recollection of it whatever.

Q. Will you swear you did not?—A. I have no recollection about asking any such sum. I do not think I could have asked such a sum, because there was no arrangement that such a sum should be paid.

Q. Do you swear that you did not ask him for more than $1,000?—A. No, I do not. I do not remember what the balance was at that time due me on my fee. There was a balance due; it may have been $1,000, it may have been more.

Q. Did General Baxter tell you that he would not pay you anything without Mr. Park's orders?—A. He did; he told me I had better wait until Mr. Park came back.

Q. When Mr. Park came back you went to see him, did you?—A. I did.

Q. How much did you ask him for?—A. For the balance that was due me, and also for the sum in compensation for these maps.

Q. How much was it?—A. My recollection is that it was $500, and $500 for the maps.

Q. One thousand dollars in all?—A. Yes.

Q. He paid you $1,000, did he not?—A. My impression is he paid me, by check, $500.

Q. Do not you think he paid you $1,000?—A. I do not remember it; but it was stated here the other day that it was that sum; it is possible that it was.

Q. Did not you, after that payment of $1,000, assert some further claim?—A. I asserted a claim for these maps, if they would take them.

Q. But you had got your $1000; and after you got that, did not you still claim that Mr. Park should pay you something?—A. I have stated all along that there was a difference of about $500 for these maps, if those

maps were taken, and my point was that these maps should be taken because they were important to the property.

Q. Do not let us have any misunderstanding about this; when you came to see Mr. Park, after his return from England, did he pay you $1,000?—A. My impression is that I received $500; that was the balance, though it may have been $1,000.

Q. Did he pay all the balance due?—A. He paid all, according to his understanding of it, and there was $500 between us, as I have tried to explain to you.

Q. And that was all the difference, was it, between you?—A. That was all the difference; and he said (I remember this very distinctly) "Why, I have paid you all that I agreed to pay, and you were to go out again to Salt Lake. You have not been out again to Salt Lake, and, therefore, I ought not to pay you that. That was conditioned upon going out again to Salt Lake; but," he says, "if Mr. Baxter says you should have it, you shall have it." So I called to see Mr. Baxter again, and said to Mr. Baxter, "Mr. Park says if you are willing that I should have $500 more I shall have it." Mr. Baxter said, "Why did Mr. Park send you to me?" I said "I do not know, but I should like to get the money for my maps, which you know I have been anxious to get." The maps had been in Mr. Baxter's office all winter. He said, "Why did Mr. Park send you to me; I have nothing whatever to do with it; I sold out to Mr. Park long ago, and it is strange that he should send you to me." I was disgusted and left, and said nothing more about it.

Q. Did you claim some compensation from Mr. Park because your report had been used in the prospectus?—A. No, sir.

Q. None whatever?—A. No, sir. If it had not been for that I should have been more anxious to obtain this $500. I did not realize at the time, until I came face to face with it, that in consequence of this thing having been used in the prospectus, it was not becoming in me to ask Mr. Park for any money, and so I dropped it.

Q. When you saw this statement in the prospectus, why did not you denounce this fraud then publicly and immediately, which you knew had been committed?—A. There were several reasons for that. It was some months after the prospectus had been issued; I was indignant, and I immediately went to see some friends and spoke to them about it. I said, Now, what shall I do? Professor Silliman reports that this mine is greatly improved, and that it is totally changed since I was there, that it is in fact a different mine. The evidence, as it now stands, is against the value of my opinion. I seem to be placed in the position of having made a mistake in my estimate of the mine, and the mischief has been done, and nothing that I can do now will be of any avail, except so far as righting myself. This being the present condition of the matter, the mine having been sold, and it being reported that it is very much better than it was, if I make a publication and announce my opinion, I shall be denounced as attempting to extort money from the vendors, and will be hooted at and subjected to a great deal of injury and unfavorable comment. I was advised by many of my friends merely to report the fact to the direction in London, the company, and not to come out in the public prints.

Q. Did you do it?—A. I did.

Q. In writing?—A. Not in writing, but verbally, to one of the directors.

Q. You verbally reported it to Colonel Stanley?—A. I did.

Q. Did you tell Colonel Stanley that you had ever written a second letter on the subject of this mine?—A. I cannot say that I spoke of it as a

:ond letter; I spoke of my own opinion of the mine; I gave it to him full; I never made any strong distinction between the two letters; ey were in my mind but one matter.

Q. In 1873 you went to England, did you not?—A. I did.

Q. At that time Mr. Anderson was chairman of the company, and lonel Stanley and Mr. Willyams were members of the board of di-ctors, were they not?—A. I cannot be positive about that; I never pt particular track of the direction of the company.

Q. You went to the Emma office?—A. Yes.

Q. Did you see Mr. Anderson?—A. I think I did; I cannot be posi-e now; I cannot remember; but I saw two or three of the directors, d the secretary, by appointment.

Q. Did you not claim to them that Mr. Park owed you a sum of money ich he ought to pay and refused to pay?—A. I claimed that I had t been sufficiently paid.

Q. By Mr. Park?—A. Yes.

Q. Did you offer to Chairman Gardiner, for the sum of £500, to pro-ce evidence that the vendors had committed a fraud in the sale of is mine?—A. No, sir; not in that way; I offered for £500 to go to the ne and examine it, and make a report, as the only proper way that I uld set myself right before the board and the public.

Q. Did you not offer to produce evidence to them of fraud in e sale of this mine, if they would pay you this £500?—A. No; I did t.

Q. While there, at the Emma office, you called for your letter of the th of July?—A. I asked them if they had received and read it; I did t ask for a copy of it.

Q. They found it?—A. Not then.

Q. While you were there?—A. No.

Q. Did they not find it while you were there; are you sure?—A. Not my knowledge they did not.

Q. Did you not upon that occasion take a copy of your letter of the th of July, from the original in the Emma office, in London?—A. I did t.

Q. That you swear, do you?—A. I have no recollection whatever of eing it.

Q. Will you swear that you did not take that copy?—A. I will.

Q. You produced these copies to Chairman Gardiner at Salt Lake, did u not—the copy of the letter of July 26 and 27?

The WITNESS. You are evidently asking for information.

Mr. CHITTENDEN. Yes; and I know the facts.

The WITNESS. I beg your pardon.

Mr. CHITTENDEN. Allow me to read:

SALT LAKE CITY, UTAH, *November* 21, 1874.

COMMISSARY-GENERAL ROBERT GARDINER,
Chairman Emma Silver Mining Company:

SIR: Agreeably to your expressed wish, I herewith submit a copy of my two letters on the Emma Mine, dated respectively July 26 and July 27, 1871.

Of the former I have the rough draught; but the paper which you have shown me rees with it and my notes in the main, and I assume it to be a correct transcript of letter as forwarded. I therefore reproduce it here, desiring, however, that as soon possible it shall be compared with the original document.

Q. Did you write that?—A. I did.

Q. And when you wrote it, had you these papers with you?—A. I ad.

Q. You had then, at that time, the document which I now show u?—A. Yes.

Q. And which you produced here?—A. Yes.

Q. You had it with you, you mean, at Salt Lake?—A. Yes; I took it with me.

Q. Is not that, or does not that purport to be, an exact transcript of the letter you sent on the 26th of July?—A. This is a draught of that letter.

Q. Did you also have with you at Salt Lake this copy of the letter of the 27th of July?—A. I did.

Q. Did you show that to General Gardiner?—A. I did.

Q. Why did you not speak of it in this paper that you gave him?—A. I gave him a copy of it.

Q. You gave him a copy of the two, and then spoke particularly of the rough draught of the first one, but you say nothing about the rough draught of the second.—A. I have given in evidence here the press-copy of the communication which I gave to General Gardiner.

Q. I know that; but you also gave him that paper, or one from which that is copied.—A. I know nothing about that paper.

Q. You had it to swear from when you were here before?—A. The chairman or the gentlemen of the committee substituted this, or put it in temporarily.

Mr. HEWITT. It was not put in then; it has been put in to-day for the first time.

Q. Look at the commencement of it, and the comments on that paper, and say whether you do not believe that to be substantially a copy of the paper that you gave to General Gardiner at Salt Lake in the fall of 1874.—A. I suppose that this is substantially a copy of it. I do not know anything to the contrary.

Q. When Chairman Gardiner came over here did he send for you?—A. He did.

Q. Did he pay you £500?—A. He did.

Q. And then you went with him to Salt Lake, did you not?—A. No, sir.

Q. Were you out there with him?

THE WITNESS. You put in the word "then;" you said *then* you went with him to Salt Lake.

Mr. CHITTENDEN. Well, afterward you went to Salt Lake?

A. I say no. By that I mean that I did not receive the £500 before I went to Salt Lake.

Q. He agreed to pay you that before you went to Salt Lake?—A. That was the amount I asked for going out to Salt Lake, and making an examination of the mine.

Q. And he agreed to pay it to you before you went out?—A. No, he did not agree to pay it to me before I went out, but he agreed to pay it to me when my report should be submitted.

Q. What I want to know is, whether the amount of your fee was agreed upon before you and General Gardiner went out to Salt Lake.—A. It was, and it was paid afterward.

Q. At Salt Lake did you not furnish him for the first time with a copy of your letter of the 27th?—A. I showed him the draft of my letter of the 27th before we went to Salt Lake.

Q. Where did you show it to him?—A. In New York.

Q. At what place?—A. At the Brevoort House.

Q. That you swear to?—A. I do.

Q. And you showed him that paper?—A. I showed him that paper.

Q. You showed him this identical paper which you produce as that copy of the letter of the 27th of July?—A. Yes.

Q. Before showing, as you say, this copy of the letter of July 27th to neral Gardiner, in the fall of 1874, had you ever shown it to anybody e?—A. I had.
Q. To whom?—A. Mr. George Atwood.
Q. When?—A. About four or five days, or perhaps a week, before I owed it to General Gardiner.
Q. Did you show it to anybody else?—A. I do not now remember y other party.
Q. Then, previous to the fall of 1874, you never showed that document any human being; is that what you mean to say?—A. I have no collection now; I may have shown it to my counsel.
Q. Who is your counsel?—A. I consulted with my cousin at New aven.
Q. What is his name?—A. H. G. Blake.
Q. Is he a lawyer?—A. He is a lawyer. I do not remember whether showed him the paper, but I told him about it.
Q. When you saw Mr. Park after his return from England, did you t say to him that he might have had you employed to make the report the mine instead of Professor Silliman?—A. I have no recollection that.
Q. Did he not tell you that that matter was determined by others, d not by himself?—A. I do not remember that; but I have heard at stated by Mr. Park, though I do not remember when.
Q. Before Professor Silliman went out to the mine, did he not come d see you?—A. He did.
Q. After he came back did he and Mr. Selover come together to see u?—A. They did.
Q. At New Haven?—A. At New Haven, at my house.
Q. Was the subject of the new developments in a northwesterly direction, which Professor Silliman had found after your visit to the mine, en discussed?—A. They were reported to me by Professor Silliman, companied by Mr. Selover.
Q. Did you discuss them?—A. Not at length; there was no discussion.
Q. Did you talk them over?—A. We talked them over as so much formation, and I asked questions, so as to make the matter more clear my mind.
Q. Did you tell Professor Silliman that if these explorations and velopments had been made, the mine looked a great deal better than en you saw it?—A. I have no doubt I did.
Q. Did you not, on that occasion, after hearing Professor Silliman's planation, express yourself as satisfied with his report?—A. No; I d not express myself as satisfied with his report. He was not on trial fore me, and I had no reason to express any particular opinion as to s report one way or the other.
Q. You did not express any, did you?—A. Not that I recollect.
Q. While you were out in Salt Lake with Mr. Gardiner, did you write rofessor Silliman a letter?—A. I wrote Professor Silliman a private d personal letter, which I have never spoken of to any one except the rties.
Q. Did you then strongly advise him to go to Chairman Gardiner and ake him his friend?—A. I did not advise him to go to Chairman Garner and make him his friend, but I did advise Professor Silliman to go General Gardiner, as chairman of the Emma Mining Company, and plain to him all the circumstances connected with the supposed receipt a fee of £10,000, which was reported, and which I advised him of, d which, if it were not so, I strongly counseled him to explain to

General Gardiner for his own good. I am sorry to have the letter referred to, because it was entirely personal, and written in a friendly manner and with a friendly object to Professor Silliman. I have a copy of the letter here, and I claim the privilege of reading it; but I must state, Mr. Hewitt, and the gentlemen of the committee, that I am only producing it, as I suppose, as a matter of necessity. I do not wish to betray any confidences.

Mr. HEWITT. You are under no necessity to produce a private letter. If you wish to produce it, in order to protect yourself from misinterpretation, you are, of course, at liberty to do so. If not, you are not obliged to do it.

The WITNESS. I do not know that it is necessary to do so. I suppose Mr. Chittenden is in possession of the facts, from the fact of his reference to that letter.

By Mr. CHITTENDEN:

Q. Are you unwilling to produce the letter?—A. I am not unwilling, on my own account.

Q. Will you be good enough to produce it, or else decline to do so?—A. There is nothing improper in it, nor was it prompted by any improper motive. It does not affect me any way.

Mr. CHITTENDEN. I wish to have an answer, whether you will produce it or not?

Mr. HEWITT. If the letter is demanded and there is no reason of your own why you should not produce it, you may as well do so.

The WITNESS. Here is a press-copy of it, which I will read:

[Personal and confidential.]

AT THE SUPT'S OFFICE, EMMA MINE,
Little Cottonwood, November 25, 1874.

MY DEAR PROFESSOR: I am making an examination of the Emma Mine for the shareholders. My friendship prompts me to write and tell you of a coming serious conflict with the vendors, and to suggest that you take every suitable opportunity to express your abhorrence of the sale of the mine at such unwarranted figures. I know that you condemn it, but it would be well for you to see the chairman of the company and be emphatic on this point. Take the advice of your friend and see him in New York, where he will be in a few days after this reaches you, at the New York Hotel. (probably.) He, General R. A. Gardiner, is a gentleman, high-minded and full of kindness of heart, and I am sure you would gain in his estimation by freely expressing your convictions on this point if on no other.

There is an almost universal voice of condemnation, in Utah and California, of the vendors, and they will find it hard to defend what is now considered a *swindle*, and most likely will be proved to be. They will throw as much of the responsibility as they can upon you. It grieves me to hear your report and opinions lightly spoken of, and your motives and character misrepresented. You must never doubt my good will, though professionally I may seriously differ with you. I am acting as your friend in thus writing to you, and advising that you lose no time in showing your innocence of the financial negotiation, and, if possible, of the supposed or reported contingent fee of $50,000, or thereabout.

So far as my examinations have extended, the condition of the mine is most discouraging.

I hope to leave for home in a few days.

As ever, sincerely, your friend,

W. P. BLAKE.

I shall venture to suggest that you select some trusted legal friend as adviser in this whole matter, and do it at once.

Professor Silliman replied that he earnestly hoped that he might have an opportunity to explain his knowledge of the facts in the case in a court of justice and under oath, believing that that was the best and only way for him to be heard.

Q. Upon what authority did you make use of the expression in that let-
·, that the vendors would throw as much of the responsibility as they
uld upon Professor Silliman?—A. It was a general report that Pro-
ssor Silliman had sold the mine; that his report being so favorable
d enabled the parties who sold the mine to sell it; that the parties
rchasing, not knowing or not judging of this mine themselves, had
ed the opinion of Professor Silliman, and based their calculations
on his statements.

Q. Had you ever heard from any of these vendors, or anybody in
eir behalf, anything to warrant this expression: "They will throw as
uch of the responsibility as they can upon you?"—A. I do not remem-
er of my having had any conversation or discussion with any of the
endors in regard to the matter, and I do not remember that I ever
eard them express such a determination. It was my opinion based
pon what I had heard. I cannot say where I had heard it. It was the
niversal testimony of parties who did talk with me on the subject, that
e responsibility would be thrown largely upon the party who made the
vorable report.

Q. You say, "There is an almost universal voice of condemnation in
tah and California of the vendors." Now, can you state the name of
y person in Utah not connected, or who had not been connected with
e Emma Mining Company, that ever made any such statement as that
you?—A. Just at this moment I cannot single any one out, but it
as the universal expression.

Q. You cannot remember anybody?—A. I think there was not a
ner hardly in any of the camps who, when he spoke of this transaction,
d not speak of it as one which had greatly injured the mining pros-
cts of Utah Territory, Nevada, and California.

Q. Can you give the name of any person that you heard so speak?
-A. I cannot give the names just now; I never impressed any such
nversation upon my memory, or made a record of it.

Q. You claim to be, as I understand, a mining expert, do you?—A.
do.

Q. And as such you say that that Emma Mine is now substantially
orthless?—A. I do.

Q. You have had considerable experience as an expert upon the Com-
ock lode, have you not?—A. I have.

Q. You have been a good deal used out there as a witness, have you
ot?—A. I have been a good deal abused as a witness.

Q. I ask whether you have not been a good deal used as a witness?—
.. I have been employed as an expert there, and have appeared as a
itness frequently.

Q. Does the body of ore which is known as the Comstock lode, in
our opinion, consist of a single vein or of a number of parallel veins?

Mr. HEWITT. I suggest that it is not proper for us to go into the ex-
mination of the Comstock lode.

Mr. CHITTENDEN. I ask it for the purpose of testing Mr. Blake's
pinion as an expert. We offer to show that, after having repeatedly
orn in reference to the Comstock lode that it was not a single vein,
it a great number of parallel veins, he went to the other side, and
ithout any new development having taken place in the mean time,
ore directly the other way, to the effect that it was a single vein.

The WITNESS. I shall be very willing to be cross-examined upon that
bject.

The testimony was excluded.

By Mr. CHITTENDEN:

Q. Is the Emma Mine upon what is known among scientific men as a vein of silver ore?—A. No, not strictly speaking.

Q. How is it described by scientific men? What do they call it?—A. It is an irregular mass of ore filling a cavity in the limestone.

Q. A pocket?—A. It would be familiarly termed a "pocket" by the mining public of the Pacific coast generally.

Q. There is a good deal of literature upon mining, is there not?—A. There is considerable.

Q. Do you know of any author that ever described such a mass of ore as this as a "pocket" or a deposit?—A. The term is a popular one in use more among the miners of the Pacific coast than elsewhere. It is used by them to describe or designate a local accumulation of ore, which is not extended in a linear direction, like masses of ore in a regular vein. It therefore, being local and in popular use, has not appeared to a great extent in mining literature.

Q. Can you name any writer upon mining who has ever described such a mass or such a thing as the Emma Mine as anything but a vein?—A. Yes, I think I can name some. Mr. Clarence King has cited it as having more of the character of a pipe-vein than a regular vein.

Q. But Mr. Clarence King calls it a vein, does not he?—A. I think he has called it a pipe-vein, describing it as having many characteristics of the so-called pipe-veins, as extending downward.

Q. How do scientific men suppose these pockets, or deposits, as you call them, to have been filled with ore?—A. There are several theories on the subject: One, the most generally accepted, is, that the ore is derived from percolation from the surrounding rocks, or from the soil above running down into the limestone, and slowly forming there. The lead masses of the West are known to be in process of formation. Tools are sometimes found in the veins covered with lead-ore.

Q. I wish to read a portion of the evidence of Clarence King, and ask you whether you agree with him with respect to the formation of veins. He says:

There is a third class of veins, those where the identical forces have acted on soft, sugary rocks, which, through their mineralogical and lithological structure have a tendency, when met by a given force, to shatter in every direction; that class of rocks are the limestones and dolamites in this world; and the same forces have acted on those dolamites and limestones in their metamorphic conditions. The results have been immense, irregular fractures, and very great diversity of form, and consequent irregularity and difficulty in following the ore-deposit itself. I contend that the sole difference between the three classes of veins is that of the country-rock upon which the fissuring force has acted, and through which the deep-seated chemistry has done its work. I also lay down this proposition, that given the deep-seated fissure, and given the deep-seated chemical action, the form has nothing to do with its nature as a vein, and that the amplitude or irregularity of chambers in no way militates against the theory of its being a vein.

Do you agree to that description of veins?—A. Substantially.

Q. Is this a vein in what he describes as soft, sugary rock?—A. It is not a vein in the sense in which he describes a vein at all. He says, "Given a fissure." That is one of the conditions. We have got to be shown that there is any fissure here.

Q. How can there be a vein of that kind unless there has been a fissure?—A. Because you find great cavities which are horizontal. You do not call the great Mammoth Cave of Kentucky a fissure.

Q. Have you read Mr. King's testimony as printed here?—A. I do not know. I do not know what you are reading from or where that testimony was given.

Q. Do you claim that this ore-mass has not been brought up from a ep-seated source far below?—A. That is my opinion.

Q. You think this immense mass of silver percolated in from the p?—A. I do not think it necessarily formed in through a hole, t it gradually formed into the mass of the limestone, it may be in a ore or less horizontal position; but by the decomposition of that sulnuretted mass with the access of air from the surface, (for it was origally, no doubt, a great mass of silver and lead ore,) acid solutions had en formed, which, in settling and coming in contact with the limeone, had dissolved the limestone, and ore has been deposited in a new rm—in the form of oxides. This process has no doubt been going on er and over again continuously until this irregular cavity has been rmed, which is filled chiefly by oxidized ore. That was one of the peliarities of this Emma mass, that it was highly oxidized and rusty. e galena (that is, the sulphide) ores are only found, where they are und, brought into contact with moisture. This seems to me to be the ost reasonable and common-sense explanation of the origin of that egular deposit. I believe, also, that it has been broken through—attered by the breaking up of the rocks.

Q. Is there any silver in the country-rock there on either side of this in?—A. None that is appreciable; none that we have discovered. It not easy to find it even in the presence of lead-ore, known to be dered from the surrounding rocks.

Q. In your first letter you say that the fact that ore has been found on other cations beyond the Emma is a favorable indication; do you think so w?—A. Yes; I think favorable to the possibility of finding masses of e in that direction.

Q. Do you think the Flagstaff is on a vein?—A. I do not think it is regular fissure-vein.

Q. I did not ask anything about fissure veins: do you think it is on vein?—A. You may call it a vein in common parlance.

Q. What do you call it? Do you call it a vein?—A. I would call it vein in *ordinary conversation.* We often speak of masses of ore as eins; we speak of masses of iron-ore as veins.

Q. Is the Flagstaff upon the same vein with the Emma, in your opinn?—A. There is no continuity of veins—nothing that marks a vein beveen one and the other. I think it is upon the same general stratum f limestone.

Q. Has not the vein itself been followed from the Flagstaff toward e Emma for many hundred feet?—A. There have been explorations ll along between the two points. There are no great developments of re except at the Flagstaff, the Savage, and, perhaps, the Montezuma, nd one or two other claims in the vicinity of the Flagstaff, until you get own to near the Emma location.

Q. I ask you whether this vein has not been worked at—actually pened—and followed for many hundred feet from the Flagstaff going irectly toward the Emma?—A. I do not know how far the Flagstaff xplorations have extended toward the Emma.

Q. Are they not connected with the South Star and Titus—all those hree mines?—A. I have no knowledge of these explorations at present. have not been in the mines since 1871.

Q. If that vein had been followed from the Flagstaff through South ar and Titus and into the Vallejo, would it make any difference in our judgment?—A. It would make no difference in my judgment of he value of the mine.

Q. Would it make any difference with your judgment as to whether

it is a vein or not?—A. No, it would not. It would confirm me in my expressed opinion, that this is a stratum of limestone which carries ore at different points.

Q. Suppose that directly under the lowest workings in the Emma, (and I mean by "directly under," in the direction of the depth of the Emma,) and within forty feet of these workings, a vein of rich silver-ore should be struck which is four feet in width, and had been drifted upon for more than thirty feet, would that make any difference with your opinion of the value of the Emma Mine?—A. If the facts were as you state, I should think there was a possibility of getting more ore out of the Emma.

Q. But you would still think it was not a vein, would you?—A. I would.

Q. It would only affect your views of the value of the mine?—A. Of the immediate value, based upon what might be taken out; but it would not enable me to form any definite conclusion of the money value of the mine in figures.

Q. Do you know of any other scientific expert who has ever examined the Emma that entertains the opinions of it which you have expressed here?—A. I know of several.

Q. Name them.—A. Mr. Rossiter W. Raymond entertains, substantially, the same opinions as I do. Mr. George Atwood, Mr. Clarence King, Mr. Janin of San Francisco; also an expert employed by Cross & Co., whose name I do not now remember, who happened to be in the mine at the time that I was there.

Q. Anybody else?—A. Mr. Sewell, whom you have spoken of, was satisfied that the mine was pretty well worked out when he was there.

Q. I am talking about veins. My question was whether you know of any other scientific experts than yourself who have ever expressed the opinion that the Emma Mine was not on a true vein?—A. Then I will leave out Mr. Sewell; but I will mention, in addition to the others, Mr. Anton Eilers. You confine me to mining experts, do you?

Mr. CHITTENDEN. Yes.

The WITNESS. I have heard many miners, who are not generally considered professional mining experts, speak unfavorably of the mine in that regard, but it is unnecessary, perhaps, to give their names.

Q. Observe my question. What mining experts have you ever heard express the opinion that the Emma Mine was not upon a true vein of silver-ore?—A. I have given you the names of several.

Q. You have mentioned Mr. Clarence King; do you mean that in any report, or written or printed statement, he has ever expressed any such opinion?—A. I understand he has. I have seen something of his on that subject.

Q. Where?—A. In the documents issued by the Emma Company, I think. I do not now recall where it is, but I presume there is a copy of it here.

Adjourned.

WASHINGTON, D. C., *April* 19, 1876.

OLIVER A. GAGER recalled.

By Mr. HEWITT:

Question. I find on page 700 of your testimony this paragraph: "When Mr. Park left London about the middle of May, 1872, how many shares of Emma stock did he leave in your hands owned by him?—A.

5,494." Be good enough to tell me how you disposed of those 5,494 shares.—Answer. I did not make a transaction of any shares until (as I stated in my examination) after the cave in June, at which time, on my own responsibility, and in the absence of any cables from Mr. Park, (I was cabling every day,) I sold 1,600 shares, which was all done within three or four days. On a cable from Mr. Park to purchase 2,000 shares, I commenced purchasing on the 5th of July, if I remember right, and I cabled Mr. Park that day, "Have purchased 400 shares at from 18 to 19; cable me how high to purchase." In answer to that cable, I received from Mr. Park a cable to purchase the full order anyhow, and if par or under, to increase it to 5,000 shares. I continued purchasing shares so long as I was able to obtain them at par or under. A portion of those 2,035 shares which I purchased were, a very few of them, at a trifle over par. The last that I purchased were at par, or perhaps a trifle under. The aggregate purchase was 2,035 shares, and that included the 400. I was cabling Mr. Park every day while I was selling shares, but I got no reply from him.

Q. You have testified that you sold 1,600 shares out of the 5,494. State how you disposed of any of them.—A. I did not make any purchase or sale of shares from the time that I had concluded this purchase of 2,035 shares for some time, further than this: I was in the market every day, and sometimes I would purchase 100 shares and sometimes sell 100 shares, but I did not increase my holding or decrease it at all. Some time in August I received a letter from Mr. Park, saying that he had become tired of the continual suspicions of the English directors, and that he thought I had better close out his shares, with the exception of the 25 qualification shares, and return home. The next letter that I received from Mr. Park after that corroborated the same request, but added, "I did not intend to limit you in price, but do not sell below par under any circumstances." I then commenced gradually selling shares, as I thought, for the best interest of Mr. Park, and between that time and the 9th of October, I had sold all the shares that he owned, except his 25 qualification shares.

Q. Can you tell me how many shares you did sell?—A. That would be a matter of figures. That (after making a calculation) would leave the sale of shares at 5,929, but I should state that 150 of them were shares which Mr. Park had left with me in the name of Mr. Fisher.

Q. Did they belong to Mr. Fisher?—A. They did not. They belonged to Mr. Park. Those I do not include.

Q. If you sold 5,900 shares, where did you get the 2,000 shares that went to Willyams?—A. I included them in these sales.

Q. Was that a sale to Willyams?—A. I will explain that in this way: Mr. Willyams had the call on those shares until such time as I was ready to take my departure for America. They were to be closed up before that time. I intended then to leave some time in July or August. At the time of the cave Mr. Willyams had not called any. The shares then went below par, and while they were below par of course he was not expected to call. After they got up again, I consented, with Mr. Willyams, to renew that call for a time, and until such time as I might decide that I wanted the shares taken to close up Mr. Park's business. At the time I was purchasing shares, and I required funds to pay for them, and then I went to Mr. Willyams, (it was some time in August,) and requested of him to make this call on the shares, if he was going to do so, as I desired to use the money. In conversation with Mr. Willyams, we concluded that he would go and see Mr. Grant. He went to Grant, and I went with him, and an arrangement was made

with Mr. Grant under which I deposited these 2,000 shares, Mr. Grant loaning me, I think, £20,000 on them. Under this arrangement, which was had about the 15th or 19th of August, (I do not specially recollect the date, but it was either one of those days,) I was either to repay this loan and take up the shares, which would end Mr. Willyams's call upon them, or else Mr. Grant was to pay me for the shares in accordance with the arrangement between Park and Willyams for the call, and that would settle it. An arrangement was made between Grant and Willyams about some division of profits in the transaction, (the shares were above par at that time,) and Mr. Grant paid me the money and took the shares, which are included in the 5,494 shares.

Q. Do I understand you, then, to say that Mr. Willyams was not bound to take the shares, and that it was at his option all the time whether to take them or not?—A. He certainly was not bound to take them.

Q. When the original call expired, was it not extended on the condition that Willyams was to take the shares sooner or later?—A. No, sir; it was simply an option on his part, I feeling that he had lost a good deal of money, and that in making this arrangement with him I would be acting in accordance with Mr. Park's wishes.

Q. Then there was no obligation at any time on the part of Willyams to take this stock, unless he saw fit to do so?—A. None whatever.

Q. Did Willyams pay back that £5,000?—A. He paid that £5,000 back to me after the cave.

Q. Why did he pay it back to him? That was paid to him for his services and expenses in going to Salt Lake City, and why was it paid back?—A. It was paid back under the arrangement which Mr. Park stated to me verbally, and which Mr. Willyams corroborated, that if he made money on this call of 2,000 shares, he was to return to Mr. Park the £5,000 which Park had paid him. And if I recollect right there was another stipulation that, provided Mr. Willyams made money on these shares, he was to return to Mr. Park anything that he received from the company. The shares were then at £28 a share. I guess this was two or three weeks after Mr. Park left, as I know that the first time I was in London again Mr. Willyams gave me this check for £5,000, and told me to let him know in ample time when I was going home, so that he might call on the shares.

Q. Did you not understand, when he paid you back £5,000, that he assumed that he had made money on the shares, and therefore that he was bound to take the stock?—A. He could have taken the stock and made $80,000 on it at any time after Mr. Park left until the cave. Then at the time of the cave, as shares went down below par, I released Mr. Willyams from that call virtually, and from any obligation on his part in regard to it, and I returned to him the £5,000.

Q. You say that Willyams was not to give back the £5,000 unless he made money on the stock. Now, when he paid you back £5,000, was not that a practical call on the stock, and did you not afterward carry the stock on his account, not on Mr. Park's?—A. I did not so understand it.

Q. Why did he pay you back the £5,000?—A. Undoubtedly because he intended to call the shares, and if he had called them he would have made a profitable operation out of them.

Q. If he did not call them at all, was he bound to pay that £5,000?—A. No, sir; not as I understood Mr. Park's arrangement.

Q. When he did pay the £5,000, was not that a call on the stock?—A. I did not so understand it at the time, but I as honestly believed

that he would call the stock, and was expecting him every day to come and have the transfers made.

Q. Did it not strike you that the payment of that £5,000 was the end of the transaction, so far as he was concerned?—A. I certainly could not think so so long as I held in my own hands the 2,000 shares of stock.

Q. Was Mr. Willyams under any obligation at that time to pay you £5,000?—A. Not further than by his arrangement with Mr. Park, that if he called the shares and made money on them, he should return the £5,000.

Q. Was not the fact that he did return the £5,000 a practical conclusion of the transaction?—A. I have no doubt that Mr. Willyams honestly intended to call those shares when he paid me that £5,000. I should have been very glad indeed if he had kept the £5,000 and left the shares on my hands. I mean that I would have been glad of it on Mr. Park's account.

Q. But after that payment of the £5,000, did you not think that you had the right to require Mr. Willyams to take the stock?—A. I could have called upon him to do so at any time.

Q. Did you not think that you had the right to do so?—A. Yes; I should have had the right to do so, or he had the same right to call on me. I had that right even before he paid the £5,000.

Q. To require him to take the stock?—A. To have him make the call on the shares.

Q. Where was that provided for?—A. The option given to him was 30 days. Just before that 30 days were out, he paid me this £5,000, and if I had told him at any time, "Mr. Willyams, you must call these shares now, or your option will pass," he would have undoubtedly made the call.

Q. You had the right to demand that he should make the call?—A. Yes, if I were making arrangements to start for home.

Q. What gave you a right to call upon him prior to his payment of the £5,000?—A. Because the call was only extended as a matter of courtesy between Mr. Willyams and myself. That is, the call was extended after the thirty days, until I was about preparing to return home. It was a mere matter of courtesy on my part toward Mr. Willyams to give him as long a time as he might desire. He believed that the shares would go up to about 30, and he was holding them for the best price that he could get.

Q. Did you think that you had a right to call upon him to take the stock?—A. I had a right to call upon him to take the stock at any time after his thirty days had expired, without reference to the £5,000 paid by him to me.

Q. You say that you sold 1,600 shares, and bought 2,035 shares?—A. That is correct.

Q. Be good enough to say what the loss on the 1,600 shares that were sold was, and what the profit on the 2,035 shares that you bought was.—A. The 1,600 shares that I sold, I sold at about an average of 14.

Mr. HEWITT. That was a loss of £9,600. Now, you purchased 2,035 shares at what average?—A. At from 18 to 19. I remember that the loss on the transaction was a trifle over £8,000.

Q. Will you say that you bought the 2,035 shares at 18 or at 19?—A. I should say, divide it.

Mr. HEWITT. Two thousand shares at 18½ would be £37,000. What did they net you when you sold them?—A. I remember that they netted a profit of about £6,000.

Q. Then the loss on the previous transaction was made good within £2,000 by the profit on the latter transaction?—A. Yes, sir.

Q. On the one there was a loss of £8,000, and on the other a profit of £6,000, so that the actual loss was about £2,000?—A. Yes.

Q. Subsequently, you purchased 1,150 shares at a cost of £23 a share; at what prices did you sell these shares?—A. They were sold out so that there was about £6,000 difference between the purchase and the sale. These were purchased after I closed Mr. Park's business and had gone to Liverpool, on my way to America. At Liverpool I got a cable from Mr. Park directing me to return to London and wait advices from him before proceeding to America.

Q. You have testified to certain transactions in which General Schenck was interested, and you stated that a credit of £1,894 was carried to his account on one transaction, and you have also stated that there were other transactions. Can you state what amount of money was made from these other transactions?—A. In the transactions which I made altogether for Mr. Park, the profit was between £16,000 and £17,000, without noting the losses. I never had any cash transaction with General Schenck on account of Mr. Park or of the Emma Mine, with this one exception: Some time in June I called upon General Schenck with a letter which I had received from Mr. Park's agent, and read to him its contents. At that time shares were very much below par, and General Schenck held, to my knowledge, 500 shares.

Q. The transactions which you refer to, in which money was made, are the transactions in which you made about £16,000, as agent for Mr. Park?—A. Yes, sir.

Q. And what interest did you suppose General Schenck to have in those transactions?—A. I never had any conversation with General Schenck in regard to them, except the time when I read him this letter from Mr. Park's agent, Mr. Lincoln. The letter stated that Mr. Park had started for Salt Lake, and that any transaction I might make in the purchase and sale of shares for him I should consider as being on joint account between him and General Schenck. I wrote that letter to General Schenck, and he was so peremptory about not having anything to do with a transaction of that kind that I do not think I ever spoke to him about any transactions after that date. But they were all as between himself and Mr. Park.

Q. Did you speak to him about the transaction in which the £1,894 was made?—A. Yes; I said that there was a profit upon a special transaction which I had made which was even more than that. The occasion for that was Mr. Park writing to me from Salt Lake that Mr. Hussey was interested with him in those shares. I was assuming on my own account that he had probably forgotten what he had said to Mr. Lincoln. I stated that to General Schenck, and that I had written Mr. Park that from the letter of Mr. Lincoln I had thought it best perhaps to divide the profits on that transaction by three, and the amount of that trade would be £1,894. I wrote to Mr. Park to that effect, and I understood from him that he entered that amount on General Schenck's note as a payment from General Schenck.

Q. Did you discuss that specific sum with General Schenck?—A. I think I stated to him that there was a profit upon a special transaction: still I do not recollect. I met him very seldom.

Q. Did he make any objection to that £1,894?—A. He said peremptorily to me that he would have nothing to do with any profits made in the manner which I had stated; and I replied that that was a matter between himself and Mr. Park.

Q. Did he make any remark in reference to the £1,894?—A. Yes, ir, he did; and from that time I do not think I ever mentioned the natter. I know that I felt at the time rather sorry that I had menioned this one.

Q. Did you tell him that that was only a part of the profits?—A. I lo not recollect that I did. I had nothing particular to say to him. I new of Mr. Park's feelings toward General Schenck, which General Schenck in the conversation that I had with him in regard to that mater seemed to recognize. General Schenck seemed rather sensitive bout it.

Q. State, as nearly as you can, everything that Park said to you in egard to his relations with General Schenck.—A. Before he left Engnd he told me that he wanted I should give General Schenck all the nformation that I received from him, and that he wanted to have Genral Schenck make money. I remember his saying to me that General chenck had received a great deal of abuse from the press, and that he elieved he had received it on account of his connection with the Emma ompany, and that General Schenck was the only person he had ever aid anything to to induce him to take stock in the company. There as no very special remark made further than to convey that idea to me. uch a contingency as the present one was never thought of. There as no idea but that the mine was a valuable property and would coninue to pay dividends.

Q. Did he tell you then that the transactions which you were to make or him were for the joint benefit of himself and General Schenck?—A. was under about these instructions when Mr. Park left—that he was o leave his stock in my hands, and that he would instruct me when he ot home what to do with it. He did not wish me to make any sales or the present, and I did not make any. He gave me to understand hat if I should make any purchases or sales they should be on joint ccount with General Schenck. I am quite positive that I did not see eneral Schenck from the time that Mr. Park left England until after his cave in the mine. I was in Paris myself at the time of the cave.

Q. But, notwithstanding, your instructions were explicit that any ransactions you might make in the stock were to be for the joint benelt of General Schenck and Mr. Park?—A. I do not know that I would se the word explicit. My instructions were general, and I so understood them. I particularly understood them so from the feeling that I new Mr. Park to possess toward General Schenck, on account of the buse which General Schenck had received from the press, and on acount of the position in which he found himself from his connection vith the Emma Mine.

Q. In any conversation that you had with General Schenck, did he ecognize that he knew that these transactions were on the joint account f himself and Mr. Park?—A. He did not do so to me.

Q. When you loaned him the thousand shares of stock, what use was o be made of them?—A. I am very positive that that was a proposiion of my own to General Schenck. In the conversation that I had ith him he remarked that there was £2,000 margin at Jay Cooke, McCulloch & Co.'s on his 500 shares of stock, purchased at 31-2. The marin was very short at the price at which shares were at that time, and remarked to General Schenck that I had got these shares and was not oing to sell them, and that I would loan him these shares to put up as dditional security with Jay Cooke, McCulloch & Co., if they should reuire him to make his margin satisfactory to them.

Q. Do you know what use was made of those s' ares?—A. They were returned to me.

Q. What use was made of them in the interval?—A. I do not know, except that I know that General Schenck could not have used them as collaterals, from the fact that the transfers were not ever signed. They were returned to me in the identical certificates and transfers, without any signature, and consequently he could not have used them.

Q. Would not your transfer of them to him have enabled him to use them as collateral?—A. I do not know but that they might have been used as collateral, but the transfers were never filled out. I believe that in London they could not be used without transfers being filled out. There is some difference between the arrangements there and here in that respect.

Mr. HEWITT. General Schenck says he never did use them, and I do not suppose he did.

Q. Now, in regard to this telegram which you sent to General Schenck in Paris; was Mr. Park in New York when that telegram was sent?—A. He was.

Q. Did you see him the day you sent it?—A. I did.

Q. Did you tell him what its contents were?—A. I did not tell him what its contents were. I had just arrived in New York, and I think it was within an hour of my arrival that I sent five telegrams to England. I said to Mr. Park, after meeting him, "There is no use sending money over there; they will not pay the dividend." I think the telegram which I sent to each of the parties was alike: "Dividend will be passed." I owned, jointly with four parties in Liverpool, 140 shares that were purchased at 23, and I telegraphed one of them to sell 500 shares. Knowing that we had got to make a loss on the 140 shares, I thought that by selling 500 shares we would be able to make a little something, and that was just about the same reasoning that I had in my own mind in regard to the telegram sent to General Schenck.

Q. You say that you told Mr. Park that you would send five telegrams. Did you not tell him the substance?—A. I told him that I was going to send telegrams that the dividend was not going to be paid. I do not think he knew all the parties to whom I had telegraphed until I named them to him afterward.

Q. You recollect that you told him you telegraphed to General Schenck?—A. I think I told him so.

Q. Did you tell him that you telegraphed to General Schenck, advising him to sell 2,000 shares short?—A. I do not think I did tell him that I had telegraphed to sell 2,000 shares short. I did not telegraph General Schenck to sell 2,000 short. I do not recollect the exact words of the telegram. I know that I had very few words that day with Mr. Park in regard to this matter. My time was pretty much taken up in talking about matters that were of quite as much importance.

Q. You sent this telegram to General Schenck because Mr. Park had instructed you to take care of General Schenck in the matter, as far as you could?—A. That was my idea; and knowing that the amount of shares that General Schenck had when I left was 995, I thought that if he sold 2,000 he would save himself from loss. I telegraphed over Mr. Park's signature, feeling that I was warranted to do so, and because my connection with General Schenck had not been so intimate that I thought a dispatch over my signature would have as much weight with him as over Mr. Park's.

Q. That was the only one of the telegrams that was over Mr. Park's signature?—A. Yes. The others were signed by myself.

By Mr. CHITTENDEN:

Q. I wish to have it distinctly understood what this telegram to General Schenck was; was it to sell 2,000 shares short, or was it to sell 2,000 shares?—A. It was to sell 2,000 shares. I remember very well thinking in my own mind that he already held 995 shares, and that if he sold 2,000 shares he would have these 995 shares to deliver; consequently that could not be a short sale. The telegram was to sell 2,000 shares.

Q. You have stated fully in your direct examination that you went back from Liverpool to London and purchased 1,100 shares on Mr. Park's order; will you state when those shares were closed out?—A. About the 20th of November. I sailed from Liverpool on the 30th, and I sailed as soon as possible after closing out those shares.

By Mr. HEWITT:

Q. As to the discussion that took place in regard to the non-payment of dividends. You stated in your direct testimony that there was considerable discussion on that subject. What was the reason given for any doubt as to the payment of the dividend?—A. I do not know that there were any special reasons given. There had been, prior to the declaring of the dividend, for two or three months, conversation between certain members of the board on the subject. I remember particularly Mr. Ibbitson and Mr. Pemberton, the one who sent out a letter that was found on the man who died. They were bringing up the matter all the time. Since the change had been made from the shipping of the ore to Liverpool to selling it at Salt Lake, the question had been brought up very frequently in the board, at times when I was there, as to the accounts and the statements which they had got, whether this ore was out and whether it had been actually sold. The most important point of conversation was in regard to £20,000 that had been remitted through the Claverings of Glasgow, and they wanted to know from whom that money had come. It was telegraphed to the Emma Company. There seemed to be rather a division between the members of the board on the subject. Their chairman, Mr. Anderson, was out there at the time, and certain members of the board felt that they should certainly have that confidence in their chairman as to be willing to follow his advice and instructions while he was there on the ground.

Q. Did they seem to know that Mr. Park furnished the money?—A. They knew that I had paid at one time £5,000, which was returned to me. That was in November. They really had no reason for taking it, as they had at that time money enough for the dividend, but I was instructed by cable to pay them £5,000. Mr. Tooke took it and afterward returned it. Then the question came up as to the last dividend paid on November 23. The argument then was quite strong. Mr. Tooke took Mr. Anderson's letters and figured them up, and showed conclusively that the ore was out, that the sales were made, and that this money was only advances made on the sales of ore, as Mr. Anderson had written.

Q. What time in November was that?—A. It was on the 22d or 23d of November that I paid that money to them.

Q. At that time you had closed out all Mr. Park's stock?—A. Yes, sir. I had first closed out all his stock on the 9th of October, before any money was furnished, and then I afterward bought more stock for him.

Q. The money that you furnished on the 22d or 23d of November was for the December dividend?—A. Yes; I think Mr. Anderson telegraphed it to the company.

Q. Did the directors know that the money came from Mr. Park?—A.

They knew, of course, that the money which I paid them came from Mr. Park.

Q. Did Mr. Park furnish them with any money through any other source than this?—A. Not to my knowledge.

Q. This money furnished through Clavering & Co., by whom was it furnished?—A. The money furnished from Clavering & Co. was merely a saving of exchange. Mr. Anderson had invested £20,000 for Mr. Clavering out in Utah. He took the money from the Emma Company, and got the Claverings to pay it in London, thereby saving the cost of exchange.

Q. Did Mr. Park furnish Mr. Anderson with that money which he invested for the Claverings?—A. I should judge not. I suppose it came from the Emma Mine. I know nothing about the matter.

WASHINGTON, D. C., *April* 19, 1876.

WILLIAM M. STEWART recalled.

By Mr. SPRINGER:

Question. On page 99 of your evidence, you state in reference to Senator Morton, that "he appeared very much pleased, and I went on, he saying that he would come out soon. He did not come, and I believe I telegraphed to him, and that was all there was of the Governor Morton transaction, so far as I know. That is the substance of it, at all events." I asked you further whether at the time that you had the conversation, and when you telegraphed to Mr. Morton to go out to Salt Lake, Mr. Chaffee, the Delegate from Colorado, was in Salt Lake?—Answer. No, sir; he was not.

Q. Was he there at any time when you were expecting Mr. Morton to arrive?—A. I do not recollect ever meeting him in Salt Lake.

Q. Did you meet him in Denver?—A. Not at that time. I met him some years previous to that—in 1865.

Q. At the time you were negotiating with Senator Morton, did you have a conversation with Delegate Chaffee?—A. No.

Q. Had you no conversation at all with him in reference to Senator Morton's being retained?—A. I think not. I met Mr. Chaffee here.

Q. What time did you meet him here?—A. In March, 1871; at the time he introduced Lyon to me.

Q. Had you then seen Senator Morton on the subject?—A. No; the first conversation I had with Senator Morton on the subject was while Lyon and myself were on the way to Utah.

Q. You say that you never had any conversation with Delegate Chaffee in reference to Senator Morton's connection with the case in Utah?—A. Whether I had or not, I do not recollect. I certainly had not previous to this transaction to which I have testified. Whether I had or not subsequently, I do not recollect.

Q. Did Delegate Chaffee ever say to you pending the negotiation with reference to Senator Morton, that the reason he did not come was probably that you did not send him any money?—A. I do not recollect having any conversation with him of that kind.

Q. Did not Delegate Chaffee say to you that if you had forwarded Senator Morton his retaining-fee of $1,000 he would respond?—A. I have no recollection of any such conversation. I do not know where it could have been, because I did not see Chaffee from the time that I had

:hat talk with Senator Morton until the thing was all over, and until Senator Morton's services were not required.

Q. Did not Chaffee then propose to let you have the loan of his check 'or $1,000, payable to Senator Morton?—A. There was nothing of the kind that I recollect.

Q. Have you not stated that a certain conversation of that kind oc :urred between you and Chaffee?—A. No; I never made any such state nent. It was impossible that I should.

Q. Have you had no such conversation with any one since this inves-:igation began?—A. No. This did occur: I told Lyon out there to send Senator Morton a fee of $1,000. I did not know, after this investiga-:ion commenced, whether he had done it or not, and therefore I wrote to the bank in Denver to ascertain if it had been done, and I got a letter in reply that it had not.

Q. How did you happen to write to a bank in Denver?—A. Because the money furnished to Lyon at that time was furnished by Mr. Chaffee, who was interested in the bank. My information is that there is no record in the bank of any such check, and so I suppose it was not sent.

Q. Did you have any conversation with Mr. Chaffee on the subject before the letter was written?—A. I do not recollect having any con-versation with Mr. Chaffee on the subject.

Q. Did not Mr. Chaffee hand you a check for the purpose of sending it to Senator Morton?—A. No; nothing of the kind.

Q. Have you stated recently that he did?—A. No. That was all that there was of the transaction. I had told Lyon that Senator Morton ought to have a fee sent to him; and in order to ascertain whether that had been done, I wrote to the bank to see. I saw Chaffee here, before I went out there, but I did not see him again until some time after the whole transaction had occurred. I have no recollection of seeing him again that summer. The talk with Senator Morton was on the cars.

Q. Can you give the date of the letter that you received from the national bank at Denver, of which Chaffee is president?—A. About a month ago; since this investigation commenced.

Q. Have you got that letter with you?—A. I do not believe I have.

Q. All that there was of it is that you told Lyon to send Senator Morton a check for $1,000?—A. That is my recollection.

Q. And until you heard from the bank you did not know whether it was done or not?—A. I did not, and I wanted to know it for my own information. I do not recollect having any conversation with Chaffee on the subject at any time.

WASHINGTON, D. C., *April* 19, 1876.

Examination of T. W. PARK continued.

By Mr. HEWITT:

Question. In any of Mr. Gager's letters to you from London was there any allusion to a probable suspension of dividends?—Answer. Nothing, except that Mr. Gager wrote to me from London that the directors would not pay the dividend until they were satisfied that the money for it was earned by the mine, and that they had a good deal of difficulty about paying the November dividend, because they were not satisfied of that. He said that they ought to be satisfied with the report made to them by their chairman, who was on the ground, but that they would not pay any more dividends unless they were satisfied by the accounts from Utah that the money had been earned. Mr. Anderson also told me be-

fore he left that the directors were very strict, because the law prohibited them from paying dividends that were not actually earned, and made the directors personally liable if they did so.

Q. When did Mr. Anderson tell you that?—A. When he was out here in November.

Q. Did he not tell it to you when he first came here?—A. No; it was while he was in Utah, and while we were talking about those dividends.

Q. When did Gager write to you that this difficulty existed about the dividends?—A. When he wrote me particularly was when he furnished the money for the November dividend. He said that they went so far in that case as not only to require that the money should be in bank before they would declare a dividend, (they would not take his assertion that the money would be paid,) but when he offered to give his agreement that the money should be paid on the day, they required him to put up some stock as security for its payment. Then they said they never would declare another dividend unless they were sure that the money was earned.

Q. Then you did not know in October that there was any doubt as to the question about paying the dividend?—A. No; I do not think I did. Mr. Gager may have written me that there was some talk about it; but if he did so it has slipped my memory.

Q. You say that you handed the statement which you gave to Coates to Baron Grant?—A. Yes, and the baron had it before him.

Q. Was that the only statement which you ever handed to Baron Grant?—A. It was the only statement that I made out.

Q. Have you been able since you were last examined to ascertain how it happened that the prospectus states the profits of the four months to be so much larger than they are stated in the statement which you handed to Coates & Hankey and to Baron Grant?—A. I have not looked into the subject since, and have not thought of it. I have had too much on my mind to go back on that.

Q. You say that you handed that statement to Baron Grant, and that you supposed Baron Grant drew up the prospectus?—A. When I say I handed it to him, I mean that he had it. Whether he received it from Mr. Coates, or whether I handed it to him, I do not know.

Q. You say on page 437 of the testimony that you gave this statement to Baron Grant, and that he laid it before the directors, and that the prospectus which was drawn up was based to a certain extent upon it. Now, between the statement and the prospectus there is a discrepancy of between £158,000 profit and £231,000 profit, for which discrepancy you have given no explanation. Do I understand that you have no other explanation to offer now?—A. No, sir. It seems from their accounting that I had underestimated the profit. That is how it appears to me.

Q. You say, on page 443, that you went to Mr. Willyams and told him to go out to the mine, and that you would pay him his price, as you could very well afford to do so, because if the shares advanced, by the verification of the statement, you could well afford out of your half of the stock to pay his price, and that if his report did not sustain Professor Silliman's report you wanted to know it, because you would be committing a fraud, whether you committed it knowingly or not, whether innocently or otherwise. Do I understand you that if Professor Silliman's report turned out to be untrue you acknowledged that you were committing an innocent fraud?—A. After these charges had been made, and after the first half of the stock had been sold, and then these repeated circulars were issued, I did not feel that I would be doing right

n selling any more shares until everything had been verified that had been reported by Professor Silliman. That was the reason why, as I explained to the directors and to everybody else, I would sell no stock until Professor Silliman's report was verified. If the report should be verified, then my stock would be enhanced in value, and, of course, I believed it would be verified. But if, on the other hand, the statements in these circulars were true, and the mine was a worked-out mine, then I would be selling shares for a full value which were not worth it. And even if I were innocent of any concealment, still I did not think, so long as the charges had been made, that it would be honest for me to sell shares until the matter was cleared.

Q. In Professor Silliman's report is the statement that there were in sight 13,500 tons of first-class ore, valued at £357,000. It is evident from the accounts of the company that the company never realized that sum from the ore, and it is therefore evident that Professor Silliman's statement must have been incorrect. How far did you consider yourself responsible for that statement of Professor Silliman?—A. Not at all.

Q. And therefore this statement of yours, that if it would not turn out to be correct it would be innocent fraud on your part on the shareholders, is not an accurate statement?—A. The mine was bought upon Professor Silliman's report as to the future, and not on any representation that I made. While I did not feel bound to guarantee his report in any respect, still, after having sold half of the mine, and after these charges being made that Professor Silliman's report was a fraud, and that he had been paid an extravagant price for going out there and making his report—if that fact had been true and I knew it, or if that fact had been true and I did not take proper measures to ascertain whether it was true or not, I considered that I would have been doing a great wrong if I should sell the balance of the shares. I therefore said to them, "Send out and verify Professor Silliman's report by your own men, as many of them as will go. I will pay their expenses," and I explained how I could afford to do that, because, if Professor Silliman's report was verified, as I believed it would be, of course the value of the shares would be enhanced, and if that report was not verified I did not want to sell the shares.

Q. But the man whom you sent out to verify Professor Silliman's report had a contingent interest in the result of his verification.—A. Yes; but the contingency was one which would make him very careful about his examinations and reports.

Q. If he could make a favorable report he would have a large contingent profit, would he not?—A. No, sir. If he made a favorable report that was not true, he could make a large loss by selling the stock.

Q. How could he make a loss if his report put the stock up and he then sold it out?—A. If you assume Mr. Brydges-Willyams to be a man capable of knowingly committing a fraud there is a possibility that that might be so.

Hr. HEWITT. I am not assuming anything. I ask you if you did not send Mr. Brydges-Willyams to Salt Lake at your own cost and then give him a contingent interest in the mine which he would avail himself of when the stock went up in the market.—A. He would avail himself of it if the mine proved to be a valuable property. Nobody supposed that stock would go up in the market without a favorable report, and nobody supposed that a favorable report would be made unless the facts would justify it.

Q. Had he not, therefore, a contingent pecuniary interest in making a

favorable report?—A. Perhaps he had an interest to commit a fraud, but he would not make a favorable report unless the facts justified it.

Q. Would it not be a pretty strong temptation in the way of a weak-minded man to induce him to make a favorable report if he thought he could make money by doing it?—A. My judgment is that the temptation was the other way. He would sell out what stock he had, if he did not find the mine a good property, instead of buying stock and taking chances to sell it again at a profit. He was buying stock on the market at that time. He bought 1,000 shares by cable, and he held largely of the stock before that.

Q. Is not the buying the shares in the market, by cable, quite consistent with the fact that he was going to make a favorable report and then that the stock would go up?—A. Certainly.

Q. Was there anything in his making those purchases of stock by cable to show that his report was honest or dishonest?—A. The directors sent Mr. Willyams out there because they believed that he was a competent man, and an honest man, and I believe he never was charged with dishonesty. He is a man of very high standing in England, and as far as he is known elsewhere, and he is a very intelligent gentleman.

Q. You stated, on page 65 of the second volume of evidence, that in your contract with Grant it was provided that the members of the board should be satisfactory to you. You say that you told General Schenck that you had control of the directors, inasmuch as your contract with Grant provided that the directors should be satisfactory to you. I wish you to point out that clause in the contract to me?—A. [After examining the contract.] I do not find it in the contract. I supposed it was there. That certainly was the understanding.

Mr. HEWITT. It is not in the contract, for I have read it carefully.

The WITNESS. I was confident that it was in the contract, and I certainly told General Schenck that that was the understanding. It was the same understanding which I had with Coates and Hankey before—that the directors should be satisfactory to me; and I know further that Mr. Grant did, in fact, in every instance, before he promised or engaged with any person to go on the board, send or communicate the name to me and through me to General Schenck. He recognised that obligation to furnish me with every name before he made a final arrangement, and I in turn communicated the names to General Schenck. They were not all finally elected to the board, but the name of every man who went on the board was first submitted to me for my approval and for General Schenck's.

Q. How did you arrive at the sum of £2,000 as being a fair allowance to be made by Grant on the stock which you sold General Schenck?—A. That was the 20 per cent. on the 500 shares.

Q. Was Mr. Grant under any obligation to allow the full 20 per cent. commission? Didn't you say that the expense of getting out the company was 80 per cent. of his commission and should not that 80 per cent. have come out of the £2,000?—A. There was considerable talk about it as to what the amount should be and whether he was under any obligation to pay anything. Legally, I suppose he was not, but on the other hand I had made him a further concession. The conversation was all pleasant, but I was pretty earnest in trying to get this £2,000, and I told him that I intended to give General Schenck the benefit of it. I do not think that Grant would have made an allowance to me if it had not been that General Schenck was going to get the benefit of it, as General Schenck had been unfortunate in purchasing

a second lot of five hundred shares at from £31 to £32, and I wanted to make up the loss to him.

Q. You have testified that you made this second concession to Grant, this second arrangement, before the issue of the eight thousand five hundred shares?—A. Yes; that had been made a long time before the talk about this £2,000. That was after all the shares were sold.

Q. When did you make this arrangement about the £2,000?—A. It was the last thing I did before I left for home.

Q. When did you make the concession to Mr. Grant?—A. The last of March or the first of April preceding—just before these eight thousand five hundred shares were offered.

Q. The concession was made to him prior to your asking him to allow this £2,000 for General Schenck?—A. Certainly.

Q. Then you got the concession by urging that as a reason for his making that allowance?—A. No, sir; Grant referred back to the first contract about his expenses, and I said, "Yes, and I considered you in making the second concession to you." This was part of the talk as to my moral right to make the demand on him. I did not make it as a legal demand, because I knew it was not one.

Q. You stated to the shareholders that Grant received less than 2 per cent. for selling that property and yet you obtained from him £2,000 on those shares of General Schenck's, which was his full 20 per cent. commission. So that, in other words, while he only got 2 per cent. on the remainder of the stock, he allowed you 20 per cent. on these shares. What argument did you urge to him why he should give you that £2,000 of which he had spent himself £1,800?—A. My only claim was that he had not sold the shares.

Q. He was entitled to his commission on all the shares that were allotted?—A. Yes.

Q. And were not those shares of General Schenck allotted in the same public way as the other shares?—A. Yes; I have not asserted that I had any legal claim upon him for that £2,000. I have stated the facts as they were.

Q. I want to get at what argument you alleged to Mr. Grant in order to get that £2,000. Didn't you urge that General Schenck had rendered services?—A. No, sir.

Q. Or that he had suffered losses?—A. I referred to the fact, I think, as to his suffering a loss on this purchase of five hundred shares which were then selling at some three or four pounds per share less than he paid for them, and of course he would have met at that time with a very heavy loss on them.

Q. When did you leave London?—A. I sailed from England on the 11th of May.

Mr. HEWITT. I find that the prices of the Emma stock were on 20th April, 1872, £31 to £32; on the 27th April, £28 to £29; on the 4th May, £27½ to £28; on the 11th May, 32. That is the day you sailed?

The WITNESS. That quotation must be a mistake.

Mr. HEWITT. I am quoting from the Mining Journal.

The WITNESS. That certainly is a mistake. The shares were only selling at about £28 when I left.

Mr. HEWITT. General Schenck's loss, then, would have been only £3 a share.

The WITNESS. I think he paid about £31½ for his shares, but I am not certain. That would have been a loss of about £2,000.

Mr. HEWITT. This concession of Grant's must have been an act of pure good nature on his part.

The WITNESS. It was so to a great extent. Mr. Grant was very liberal in making his settlements. He was liberal all the way through. I never met with a man who was more liberal in his dealings than Grant was after he made the contract.

Q. Did you discuss the effect of that transaction on General Schenck's official position?—A. I have not a distinct remembrance of what passed between us. It is five years ago. I have no doubt that I did refer to the fact of the abuse which General Schenck had received. He had already resigned as a director of the company. I have no question that I expressed my sympathy with General Schenck and that I brought forward all the arguments that I could think of with Mr. Grant.

Q. Mr. Grant is a very intelligent man, is he not?—A. Very.

Q. Did he not reply to you that General Schenck could get out of the whole concern with £2,500 in his pocket, and that that was not so very bad for him?—A. General Schenck had expected to keep his original shares.

Mr. HEWITT. He was not bound to do so any more than you were.

The WITNESS. He was not bound to do so, but that was his intention. I do not pretend to give all the conversation between me and Mr. Grant. I have no doubt that I used such arguments as I could to induce Grant to make this abatement. I claimed, in the first place, that he had not sold the shares, and he claimed just as you do, that he had sold them through the allotment. I admitted, as I was forced to do, that of course I had no legal claim to the abatement. But I told him what disposition I intended to make of the money. What arguments I used beyond that of course I cannot recollect; but I should not have used any argument unless it were true. So, if you ask me whether I used the argument to him that General Schenck should have some allowance made to him for his services, I should say no; because nothing of that kind had been contemplated, and there had been no talk about it between General Schenck and myself, or between me and Grant. If you ask me whether I mentioned as an argument that General Schenck had been abused in the papers, both at home and abroad, and that the only compensation that could be made him was a money compensation, and that therefore I was anxious to do something for him, I would say that it is very likely that I used that argument, because it would have been true; still, I do not recollect it.

Q. Did you suggest to him that you intended that General Schenck should not be a loser by the transaction in any way, and that Grant ought to take his share in paying for General Schenck's stock?—A. No, sir; I did not put it in that way.

Q. Was it not in fact relieving you when he contributed that £2,000?—A. That speaks for itself.

Q. To that extent it certainly relieved you?—A. I was under no obligation to make any concession to General Schenck, only from my own feeling toward him.

Q. And yet at that time General Schenck could have gone out with a profit from the whole transaction?—A. Yes, if he sold all his stock I think he could.

Q. You did not mention this matter to General Schenck at that time?—A. I did not. I never mentioned it to him until he came over here. He wrote me a letter inquiring what that indorsement on his note was for.

By Mr. PACKER:

Q. Was this concession that you had from Grant in reference to the

allowance of £2,000, at the instance of General Schenck?—A. No, sir; he did not know anything of it. It occurred to me one day, after looking over the account that was rendered to me by Grant & Co., that those five hundred shares of General Schenck's had not been placed by them, and that the subscription had not been procured through their instrumentality, but through me; by my contract, if it had not been allotted to General Schenck, I would have had to make it up out of my other shares. It then occurred to me that Grant should make that abatement of commission, and I thought that if I could save it for General Schenck I would be very glad to do so.

Q. Did these five hundred shares of stock which General Schenck received come out of the original half which you had sold?—A. Yes.

Q. And was it not on that half that Grant had been allowed a commission of 20 per cent.?—A. Yes.

Q. Then, was not the concession made by Grant precisely the same amount as had been allowed to him as commission on those shares?—A. Yes; except that there were no expenses deducted from it. The question of the expenses did not occur to me, and he said nothing about them. But there were other shares also taken out of that half besides these, which Mr. Grant did not charge me commission upon, I think.

Q. You claimed in the conversation with Grant that you had sold these five hundred shares, and that he had not done so?—A. Yes, he knew of it all the time. He knew of my contract with General Schenck.

By Mr. HEWITT:

Q. Now we come to the settlement with Mr. Stewart. You made a settlement with Mr. Stewart?—A. Yes.

Q. Can you state the basis of that settlement?—A. No, sir, I cannot. If you mean by the basis whether it was made up on any figures, it was not.

Q. State how you arrived at the amount which you paid to Mr. Stewart.—A. When I made that settlement with Mr. Stewart it was at Salt Lake, in July, 1872, after my return from England. He was out there to assist me in the litigations for the Emma Silver Mining Company, of London, at my request. I had telegraphed to him to come there and assist me in the litigations. I had previously, in London, made small advances to Mrs. Stewart, of which I had no memoranda at Salt Lake, (for I did not expect to be making any accounting there with any one.) I had given Mr. Stewart in New York after I came back a check for, I think, $50,000, which was to be given to Mr. Hillyer, as he informed me, and I had made him some other payments. After the purchase of those shares that were talked about, which were purchased on the account of Hussey, Stewart, and myself, Mr. Stewart wanted to know of me what I would give him and square up the whole matter, or how I would settle with him. I ran it through my mind about what had been paid before, and I told Mr. Stewart that if he would help me to the end of the litigation, so as to free me from my bond or obligation to the Emma Company, without charge, I would give him so much; I think it was $10,000.

Mr. HEWITT. He says it was $15,000.

The WITNESS. It may have been. We jumped it off in that way. I was to take those shares which he had an interest in, and which I had ordered to be purchased, and they were afterward settled between myself, General Schenck, and Mr. Hussey.

Q. You say that you ran it through your mind. To what aggregate sum did you think Mr. Stewart was entitled for his interest in the Emma

Mine?—A. He was entitled by law and by any positive agreement that we had to no more than that contract called for, which was made in New York. After he made the arrangement to purchase out the New York parties I thought that that would embarrass him, but he signed the contract without any different agreement. I told him that if he would settle with those parties, and, in consequence, purchase the Lyon claim, and settle the amount of the stock which he would have from the Lyon claim, I would close it up. I intended to settle on that verbal talk with him, disregarding the agreement in New York.

Q. That is, you intended to pay him what you realized from the 5,000 shares of stock?—A. Yes; or about that. Therefore, as I say, I ran the matter over in my head. I had paid Lyon $200,000. I told Mr. Stewart what I would give him for a settlement of the whole thing, and he was to furnish me assistance in the litigation then going on. I think I made the offer to him while we were both in bed, in two separate beds in the same room. We jumped accounts in that way and passed receipts.

Q. In bed also?—A. No; the receipts were passed either the next morning or soon afterward. But we agreed upon the settlement then and there. I estimated that I had paid him about $275,000, including some investments which I had made for Mrs. Stewart in her name.

Q. In running this through in your own mind, what did you estimate that the 5,000 shares had produced in actual net profit to you?—A. You can make the figures just as well as I can. That is rather a matter of my own private business. It is equal to asking me the question how much the shares brought me and what I made out of the transaction. I would rather not answer that question unless I am required to do so.

Q. When you made this settlement with Mr. Stewart did you think that you gave him the full net value of the 5,000 shares of stock?—A. No: I did not intend to nor did he expect it from me. I expected so much for my own compensation.

Q. When you got back here and saw Mr. Stewart, he testified that you told him that you thought Lyon had him on the hip, and that therefore you paid Lyon $50,000 to get him released. What did you mean by saying that Lyon had him on the hip?—A. Mr. Stewart, up to the time he completed the purchase from Lyon, was acting as Lyon's attorney, and, as I understood the law, (I may be mistaken in it,) an attorney dealing with his own client has the burden of proof thrown on him to show that he communicated to his client everything that he knew himself, and if he failed to do so the court would declare the contract between them void. Mr. Stewart made this contract with Lyon, and whatever declarations he did make to Lyon he made while they were alone and without witnesses, and the burden of proof would be thrown on Mr. Stewart to show that the transaction was in all respects made after the fullest communication on his part to his client. Mr. Lyon stated the proposition in that way, and said that he had taken counsel, and from the way he stated it I judged that he had taken counsel, because he gave the law as I understood it. I told Mr. Stewart the difficulty which he would have to experience in a suit brought by Lyon to set aside that contract of sale, and that I thought it would be to his interest and that he would save himself a good deal of annoyance by having that settlement made.

Q. You thought, as a legal proposition, that Mr. Lyon could recover from Mr. Stewart the profits on those five thousand shares of stock?—A. No, sir, I did not say that. I said that it threw the burden of proof upon Mr. Stewart, affirmatively, as I understood the law, to make this showing that I had spoken of. The contract was made between them without any witness being present, and while I did not believe then

that Mr. Lyon could ever recover, because Mr. Stewart would have been entitled to his own oath, yet it would have been pitting one against the other, and it would be an unpleasant litigation.

Q. Would not the presumption have been against Mr. Stewart?—A. Yes, the legal presumption, as I understand.

Q. Have you ever known a case in which a respectable lawyer has purchased the interest of his client?—A. Certainly. I purchased that of Mr. Day.

Q. Was he your client?—A. Yes.

Q. You took from him —— ?—A. I took from him just what Mr. Stewart omitted to take.

Q. And took such a declaration as relieved you from all responsibility?—A. Yes, a declaration in which he certified what I represented; that is, he certified that I represented so and so. He gave that to me with his eyes open, and if Mr. Stewart had taken that declaration from Mr. Lyon he would have been safe.

Q. Do you think it is usual, in the profession, for respectable counsel or attorneys to purchase the interest of clients?—A. Well, I do not know how usual it is; I have known a great many transactions of that kind. This had to be purchased by some one, or settled, in order to carry out the arrangement in London.

Q. Mr. Stewart testified that he was not anxious to buy, but that Lyon pressed him, and he wanted to get this settled. How is that?—I do not know that he was anxious to buy; he was anxious that I should advance this money for him.

By Mr. BARNUM:

Q. This stock transaction between you and Mr. Stewart is not wholly clear to me. In your testimony, I think you state that the 5,000 shares of stock at par were allotted to Mr. Stewart as actually belonging to him?—A. Yes, as the result of the settlement that Lyon made.

Q. Did you sell that stock to Mr. Stewart or cause it to be sold?—A. Yes.

Q. Did Mr. Stewart get for the stock what it brought?—A. I did not know what amount he would agree upon with the company—the other owners, and I would not settle up with him there.

Q. But there was no contract, as I understand, between you and Mr. Stewart?—A. No, sir.

Q. He offered you the Lyon interest, and you declined to buy, and you came here and agreed with the stockholders in America that that interest of Lyon should be represented by 5,000 shares, provided it was satisfactory?—A. Yes.

Q. These 5,000 shares, you say, actually belonged to you?—A. Yes, by the contract; then Mr. Stewart signed this contract with the other parties.

Q. He did not sign that contract expecting to take as those people did here; he could not have done that. He expected to have whatever it brought, did he not?—A. I do not think he did.

Q. Was not that the understanding and expectation on your part?—A. No, sir; because he never would have had an allowance made for my services.

Q. But that had nothing to do with Mr. Lyon's interest?—A. Yes, it did.

Q. Mr. Stewart went out on a contract with Mr. Lyon to sell his interest in this mine?—A. But when Mr. Stewart took this stock, he took it subject, of course, to all the equities that related to all the stock.

If there was a claim existing in my behalf against the stock of the company for services performed or moneys expended, it would apply to his interest in the Lyon claim as well as to the others', as I understood it.

Q. Would not the same thing apply to General Baxter's?—A. Yes; it would apply to all of them.

Q. Did he settle on the same basis that Mr. Stewart did?—A. Yes.

Q. At 50 cents?—A. Yes.

Q. Did he have anything else?—A. Nothing else but the consideration I made him for the execution of this bond; that was the great thing that stood in my way—the requirement of a bond that should be for more than we were worth.

Q. Did Mr. Stewart have any other transaction in which he was interested with you in Emma stock?—A. When I was in Salt Lake in July I purchased those shares I have mentioned on joint account for Mr. Hussey, Mr. Stewart, and myself; but about the same time, and within a day or two after the order going forward, we made this settlement, and on the settlement I was to take that off his hands and treat it as on account of myself and Mr. Hussey. That is the only interest he ever had, that I know of, that was in my name, and he gave it up in the settlement.

Q. There never was any settlement on paper—any statement, in the settlement between you and Mr. Stewart?—A. No, sir.

Q. No transaction on your books?—A. No.

Q. Your cash-book calls for the payment of the money you paid him?—A. Yes.

Q. Does it call for the entire transaction involving the payments to Mr. Stewart?—A. I think so.

Q. Both in money and bonds?—A. I think so; and I do not think I am out of the way at all when I say it was about $275,000.

By Mr. CHITTENDEN:

Q. There is a good deal of misapprehension about that New York stock. Those 5,000 shares that Mr. Stewart got by that contract were shares of stock in the Emma Company of New York, were they not?—A. Yes, sir.

Q. That company was entitled to whatever the shares sold for in London?—A. In the sale of the mine; whatever was realized.

Q. And that company had no other property, had it?—A. No other; it had sold all its property in the sale.

Q. If the whole $5,000,000 had been without any deductions or expenses, that New York stock would have been worth $100 a share, would it not?—A. Yes, sir.

Q. And it could not have been worth any more?—A. No, sir.

By Mr. HEWITT:

Q. One hundred dollars in gold?—A. Not exactly $100 in gold, but very nearly so; it is £20.

By Mr. CHITTENDEN:

Q. You had paid to Albert Grant £100,000 out of that £1,000,000, had you not?—A. Yes.

Q. You had paid, in respect of that amount, to Jay Cooke, McCulloch & Co., £10,000?—A. Yes, sir.

Q. You had made an allowance to Lewis & Sons of £5,000?—A. Yes.

Q. You had given your own time from the purchase of this mine down to that time, had you not?—A. Down to the selling of it.

). You had guaranteed the title, and you had agreed to defend inst pending litigations?—A. Yes, sir.

). Had you or not paid the expenses of that litigation between the chase of the mine and the sale which had taken place in Utah?—I had, the most of it. I presume there were some items of their l lawyers and attorneys at Salt Lake that had been paid by the pany. I paid Judge Poland and I paid Mr. Phelps, and I paid r expenses, and then I paid to the local lawyers $3,000; but I think re were some sums that were paid for their local lawyers by the pany after I took charge of it.

). You had paid your own expenses at the same time, had you not?—Yes, sir; and the expenses of other parties in Utah and London. aid to Mr. Blake the money that he received. The most of it was l by me.

). And you paid Silas Williams's expenses, did you not?—A. Yes, a portion of it.

). On the 9th of December, 1871, the date of the New York contract, of the English stock had been sold and allotted in London?—A. ll, it had been allotted at the time of the contract, but not when I advised of it. The date of the contract was after the first payment le to me. The first payment was made to me on the 4th of Decem-, and the contract bears date the 9th. There were some previous grams advising me that the contract in New York would be made ore it was made, in consequence of which I entered into this bond, ch I would not have entered into if I had known when the contract ld be certainly made. On the 4th of December I gave my bond, ing been informed that this contract would be made.

). The other twenty-five thousand shares had not been sold, but were tied up under the Grant contract?—A. Yes, for nine months.

. While the thing was in that condition you sent Mr. Stewart over his country to do what?—A. At the time I went to England I had power of attorney from the Emma Mining Company, who were the ers of the property in New York. I had no power of attorney from of the owners of the stock; it was simply an understanding, all al, that I was to go over there and make this sale. There was ing agreed upon as a compensation, or as to what expenses I was orized to incur or what disbursments I was authorized to make. rything was left to me, as they had entire confidence in me, and e so yet, I believe—all of them. It was left for me to go to London do the best I could. When I got there I found the placing or sell-of a mine a very different thing from what I had anticipated. ge expenses had to be incurred, and I had seven or eight parties to le with when I came back, some of them not good business-men and ng in different States.

here were two or three points that occurred to me before Mr. Stew-left, which led me to the conclusion that "When I get through with matter, the first settlement I shall make when I get to New York be with these parties that claim that I made disbursements which as not authorized to make." I presumed some parties would sue me an accounting, and I determined not to be contented until I had ething tangible to protect me in what I did. Then these bonds had e executed, a guarantee had to be made for the ore, in which the ties required the personal responsibility of General Baxter and my-. They had inquired about the different owners, and they required se two names. I refused to execute the bond or to go on and com-e the matter until some arrangement was made with the other owners;

and when Mr. Stewart came on he came on instructed by me that if an arrangement was made that should be satisfactory, I would advance the money to purchase the Lyon interest for him, and I would remain there and close the matter up. If no such arrangement was made, the parties must come, or delegate some one to come, and protect their interests, and also furnish these bonds. I wrote to General Baxter for him to communicate to all the parties just the position I occupied, and why I wanted to be relieved from that position, because otherwise I might be involved in lawsuits after my return that might last me all the rest of my life-time. I proposed to General Baxter that if he or Mr. Hussey or Joseph R. Walker, who were, either of them, perfectly competent, would come over, any arrangement they would propose to me I would accept and remain there, or else I would agree to make the same arrangement with them. When Mr. Stewart left, it was not understood that this was to be bought for 50 cents. On the contrary, a much larger sum was expected to be paid. I made a sketch of the contract, leaving blank what was to be paid.

While Mr. Stewart was on his way from Liverpool to New York, this demand was made for this bond guaranteeing the title, (and which I said put the whole value of the property at $20,000,000,) and involving a personal liability. While I believed, and do believe now, that they had a good legal title, and one which could not be upset under ordinary circumstances, of course it was taking a great risk; so I cabled to Mr. Stewart that this bond had got to be given, and that that must be taken into consideration in any settlement that should be made. I wrote to General Baxter, by Mr. Stewart, that, as to any proposition that they made to me, if I did not accept it, I would make the same proposition to them, and I urged General Baxter to come over. Then I was cabled stating what they would do, and I expressed satisfaction at it, and accepted it by cable.

Q. Under those circumstances, the parties made the contract on the 9th of December, agreeing to settle for fifty cents on the dollar of the capital of the Emma Company of New York. Was that it?—A. Yes, sir; that was it.

Q. Has any one of these parties ever made any complaint to you since, in any manner, in respect to that settlement or the way it was carried out?—A. Never in the least; they are all satisfied, so far as I know and believe.

Q. A dispatch has been put in here, received in London on the 5th day of April, 1872, signed by Messrs. Williams, Silliman, and Hussey. Did you, after that dispatch was received, or did anybody for you, sell any shares of stock in the Emma Company until these sales testified to by Mr. Gager?—A. I do not think that I sold a share, nor any one for me, after that dispatch was received. I am very confident of it. That I have already stated.

Q. What was the construction placed upon that dispatch by yourself, and, so far as you know, by everybody else in London?—A. The construction placed upon it by me, and by the directors of the company, and every one else, so far as I knew, was that they had discovered since their last report 8,000 tons of reserve ores in addition to that previously reported; that in the bottom of the mine, where they were doing their last work, and near the bottom of the shaft, as it is expressed, I believe, they had a sample that assayed about $2,000 a ton. That was understood by every one there to be a picked sample. If it had been otherwise, the shares ought to have gone up in the market to $500, at least, (on the construction sought to be placed upon it by Mr. Lyon.) The

shares did not go up at all, or very little, as appears in evidence. That was the construction given to it by every one, and there was no doubt on the subject. There was nobody that ever pretended that there was any quantity of ore in the mine that would bring $2,000 a ton.

Q. When did you first hear that anybody had attempted to put the construction upon that dispatch that 8,000 tons of ore had been discovered, worth $16,000,000?—A. Not until I read Mr. Lyon's testimony before this committee. That was the first I ever heard of any such construction.

Q. A question put by Mr. Hewitt this morning assumes that there was a deficiency in the 13,000 tons of first-class ore described in Professor Silliman's first report. Was there any such deficiency?—A. I have no knowledge of any such deficiency. There were a great many thousand tons, or, certainly, thousands of tons taken out in 1873, and they were taken from reserves that were there in 1872 when Professor Silliman made his report. I never have seen any accounting for these thousands of tons taken out in 1873. They made their last dividend on the 1st of December, 1872, and they worked the mine through the whole of the year 1873, and took out thousands of tons of ore. I have no reason to believe that the quantity of ore that has been produced from the mine, or is there now, was less than Professor Silliman estimated in his last report as well as his first, neither have I any knowledge that it was all there, but I know that a good many thousand tons that were taken out in 1873 were among the reserves estimated by Professor Silliman, of which no account has been given, and I have failed in my endeavors to get an accounting of what the quantity was or what the production was. Mr. Hannibal Willyams, who followed his father, an who was there during 1873, testified that Mr. Atwood gave an account of the ore shipped in 1873, and it would amount to a good many thousand tons, I think.

By Mr. HEWITT:

Q. Was this first-class ore?—A. Yes; what was ranked as first-class ore. All ore that would pay $100 a ton, and upward, we always called first-class ore; still, most of the first-class ore in 1871–'72 had paid a great deal more than $100 a ton. The ore that was taken out in 1872 from these new reserves that were discovered, was, in quality, what might be called an inferior first-class. It was ore that did not pay but about $100 a ton, and they had to select, sometimes, in order to make it do that. It was from the upper part of the mine. The experience in the mine was that as you went down, the ore was richer in silver, but nearer the surface it was richer in lead and poorer in silver.

Mr. HEWITT. I asked Professor Silliman how he accounted for the discrepancy, and he said because the ore was not so rich.

The WITNESS. And the ores that were discovered in the new explorations in the upper part of the mine had not been tested to show their value. Professor Silliman said they were first-class. I had never seen them. When I went out to commence the suit against the Illinois Tunnel Company, they had not seen but about 100 tons, which they got in digging a railroad-track. I replevined that, and, in my affidavit, fixed the value of it at $100 a ton. We recovered it, but when we came to sell it, it only sold at $60 a ton, I think.

Q. A statement has been put in here and is in print, signed by Messrs. Sole, Turners, and Knight, the London solicitors of this company, professing to give an account of the sums paid for floating this mine. [Handing printed record to witness.] Take this record, at pages

13 and 14, read the statement over, and state, briefly, how much of that you paid.—A. Jay Cooke, McCulloch & Co. received £25,000, of which I paid £10,000, in pursuance of a contract that I made with Mr. Puleston, one of the firm, before Albert Grant had any knowledge of the mine. The other £15,000 going to make up the £25,000 was a liability incurred after the contract with Mr. Grant, and *he* paid it. The amount paid to Grant Bros. was in pursuance of the original contract; £100,000 was paid. This statement says that there was a subsequent contract with Park relating to £30,000 or £40,000. I have stated what I found that to be, about £17,000 as appeared by Mr. Grant's account. That was for a second sale of the second half. [Reading.] "Lewis & Son, metal brokers, £5,000;" that was paid in pursuance of a contract or understanding before I went to Europe. Mr. Lewis, the son, (Arthur H. Lewis,) was in Utah the last time that I was there, and said that if the mine were placed in Europe, his father, through the knowledge that he had of mining men, and the fact that he was one of the consignees that sold the ore, would be able to assist in a sale of it, and I agreed, with some of the other owners, that if we ever did place it in the London market we would call on his father and give him or his firm an opportunity to assist in the sale. Accordingly, on my arrival at Liverpool, and before I went to London, I called at Lewis & Son's, and the old gentleman showed me a letter he had just received by the same steamer from his son, in which he recited this understanding that he had with me and some of the other owners.

By Mr. HEWITT:

Q. State when this occurred in Utah, with the son.—A. On my last visit there, in July, 1871. The next day Mr. Lewis came up to London to assist in the sale. He introduced me to parties there, but in the mean time I had made this sale to Coates & Hankey, and then I adjusted that difference for 2,250 shares of stock which I paid in pursuance of this previous agreement. [Reading.] "Mr. Brydges-Willyams, a director, paid by Mr. Park for his journey to Salt Lake, £5,000." That was after the mine was sold. It was paid by me as stated. "Messrs. Coates & Hankey, brokers." The amount paid to them was paid by Mr. Grant, in pursuance of an arrangement between him and them; it came out of the £100,000, and was not in addition to it. "Messrs. Huggins, Rowsell & Co.," and the solicitors, and "Kemp, Ford & Co., accountants." These different items I know nothing of except from hearsay, and whatever sums were paid them or paid others for floating the mine, were paid by the Messrs. Grant out of their allowance. In other words, there is nothing in that statement that I have read that was paid by me, except what was to carry out arrangements that had been made previous to my making the contract with Albert Grant.

Q. Do the payments made to Albert Grant, the £10,000 to Jay Cooke, M'Culloch & Co., and the 2,250 shares of stock to Lewis & Son, comprise all the moneys paid out by you on the sale of this stock?—A. Yes, everything else in that account was paid, if paid at all, by the Grants, and out of their £100,000, as part of the expenses.

Q. Something has been said here about a resolution introduced into the Senate by Mr. Blair; when the news of that reached London, what, if anything, did you do?—A. I wrote to Judge Poland, who was then a member of the House of Representatives. He had been to Utah with me and examined the mine, and had also performed professional services for me. He had gone through the mine with us in July, 1871, and was therefore familiar with the mine. I sent him a copy of the contract

made with General Schenck, a copy of the note, and copies of other papers that you have here; and wrote to him the facts, saying that the contracts spoke for themselves, and that if anything came up before the committee, I wished him to present them to the committee, or take such action upon the papers in his hands as he thought advisable to protect the good name of General Schenck, and to show the true character of the transaction. I think I told him also to advise in all cases with Senators Morrill and Edmunds, who were Senators from our State. I sent the papers to him, instead of to one of the Senators, for the reason that Judge Poland had been out there the season previous, with me, and was familiar with the mine and those litigations.

Q. Mr. Lyon states one conversation which he had with you, at which he says both yourself and Mr. Stewart were present, in which you discussed how the English public were to be deceived; did you have any such conversation at any time with Mr. Lyon or with Mr. Stewart?—A. Not a word with either; it was false in every particular, without a shadow of anything to base it upon.

Q. Did Mr. Lyon, after the settlement and the payment of the money, tell you whether or not he was satisfied with his settlement with Mr. Stewart?—A. Mr. Lyon expressed great satisfaction at the settlement, and the nature of the settlement that he had made—both satisfied with Mr. Stewart and with myself, and never made a word of complaint until the time when he made this demand and threatened the suit against Mr. Stewart, that I have already related.

Q. When did you first hear of any second letter of William P. Blake?—A. My impression is that I heard a rumor from some one, either from you [Mr. Chittenden] or some one else, that it was claimed that there was a second letter written by Mr. Blake during the year 1875, about the time that you went over to take the testimony.

Q. When did you first see it?—A. I never saw it until you exhibited it to me after your return. I first heard in 1875 that it was claimed that a second letter was written by Professor Blake in 1871. I never had heard it intimated that there was any such letter or that it was claimed there was any such letter until last year, and I think that the time I heard it was about the time I mentioned, and I think it was Mr. Chittenden who informed me of it. I told him it was absurd, that the letter referred to meant the letter of the 26th, (the day before.) I said that there never could be a pretense that there was any other letter. When I returned from Europe during the same year, 1875, and after taking testimony, I then saw for the first time what purported to be the copy of such a letter.

Q. I wish you now to state very briefly how you came to employ Professor Blake, and what the contract was. Make it brief, but give us all the substance of it?—A. After we had purchased the mine, along about June or July, 1871, Mr. Blake called upon me and said he had heard of our purchase of the Emma Mine, that he was out of employment, and wanted to get something to do. He wished to know if I could give him employment out there. I told him that the places were all filled now, that there was nothing that I knew of for him to do. He said he was willing to go out there on pretty much my own terms; that anything above his expenses, as he was out of employment, he would do; that he wanted to see the country and see the mine. I told him there was a litigation with Mr. Lyon, and that in view of that litigation it was possible we might want a survey made for the purpose of showing that there was no connection between the Emma Mine and a shaft that was being, or had been sunk by Mr. Lyon away off from the mine on

the surface. I said it might be necessary to have a survey of the interior of the mine made, for the purpose of showing that there was no ore or vein connection. I left an understanding with General Baxter for Mr. Blake that if I wrote or telegraphed to General Baxter, Mr. Blake would come out and General Baxter would furnish him with his expenses. I went out with Mr. Phelps as counsel, and on our arrival there and after an examination of the case, we decided that we did want a survey, and I telegraphed General Baxter to send Mr. Blake out. Mr. Blake came to Salt Lake then for the first time, and the only time that he visited the mine before this letter of July 26 was written; he visited it in company with Mr. Phelps, myself, Mr. Nancarrow, Mr. Sewell, Mr. Arthur H. Lewis, of the firm of Lewis & Son, and some other gentlemen. We all went through the mine from top to bottom—counsel, experts, and those that were there from curiosity. There were other gentlemen there I remember, Judge McKinstry, now judge of the supreme court of California, who happened to be there, and a gentleman that was with him, making quite a large party. That was the last visit of mine to the mine before it was sold. There was but one expression of opinion about the mine among all of these gentlemen, so far as I heard, and that was that it was a mine of great strength and of very great value. Mr. Blake expressed that opinion after we returned to Salt Lake. Mr. Nancarrow and Mr. Sewell expressed the same opinion, and so did the miners, and others who knew less about mines. Then we went up, and after Mr. Blake's arrival there I told him I wanted to have some understanding with him as to the expenses. I made an agreement with him then that he should make the survey, (we were to furnish him with an assistant, which we did, Mr. Stevenson,) for which we were to pay him his expenses from New Haven up there and back, and $500. If he should be called out to Utah to testify in the Lyon suit, (and this was preparatory to that suit,) and if he should make maps or plans at home from his notes, and should go out with them, he was to receive $2,000 in addition, being $2,500 in all and his expenses. I went into Walker Brothers, who are the local managers in charge of the mine, and in their counting-room, with Mr. Blake present, I wrote down a minute of the contract between us, to leave with Mr. Walker, because payments were to be made by him after I left. I presume the paper is still in his office. In that paper I set down what the contract was, and left it there for Mr. Walker's guidance, and told Mr. Blake at the same time that I wanted him to write a letter to General Baxter giving him his opinion of the mine. I said "I am here on the ground and can see for myself, and, besides, I profess to have some knowledge of mines; but General Baxter is not here, and does not profess to be an expert; he has a good deal of money, and is naturally anxious about it." He said that for a report of that kind upon so large a mine as that, the compensation that we had agreed upon would not be adequate. I said, "I do not want a *report;* we do not intend to use it as a report; I simply want a letter to General Baxter, giving him your views as to the mine, in brief, for his own information." So it was agreed that he should write this letter, and that fact is stated in the memorandum of agreement that was left with Mr. Walker—that he was to make this examination and survey, and write this letter; that he was to receive the $500 and his expenses, and then $2,000 more in case he made his maps and plans and visited Utah to testify in the Lyon suit. After we had returned from the mine, Mr. Blake said to me that if this mine were ever sold, the London market would be the place to sell it, that he had very many acquaintances in Europe whom he had met during his

stay at the Paris Exposition, and that he could be of very great service to me in selling the mine in London, and would be glad to go out with me and be employed. He said that what he told them about the mine, and his knowledge of it, he had no doubt they would believe. I told Mr. Blake, in answer to that, that it would probably be a long time before we could offer the mine, any how, for sale; that first we had to obtain a patent, and we might have years of litigation before that; and he was then out there himself to make evidence to be used in this same litigation; that if the time ever came when we would offer this mine in the London market, I would then consider his proposal. I left Salt Lake on the morning of the 25th July. I think I erroneously stated the other day that it was the 26th. The way I have for fixing the date is by the date of my contract with Mr. Day. That contract I made out at Chicago on the 28th. I arrived in Chicago in the afternoon of the day upon which I made the contract, and I thought that it was two and a half days' travel from Salt Lake to Chicago, but in figuring it up I find that it is three and a half days, so that I left Salt Lake on the morning of the 25th instead of the 26th of July—the day before the date of Mr. Blake's letter. Very soon after my return General Baxter handed me the letter of the 26th from Mr. Blake, and when I was going to London I put that with other papers and took it along with me. I never saw Mr. Blake, or had any further interviews with him until after my return from London.

Q. Before you go further let me ask whether about the same time Professor Blake made a report of the Flagstaff Mine, which you paid him for and upon which the mine was sold in London?—A. Yes, sir; on the same visit he made a report of the Flagstaff Mine for Mr. Erwin Davis, and Mr. Davis arranged with me to pay Professor Blake for the report. Professor Blake wrote me of the arrangement he had made with Mr. Davis, and of his having followed with the report—Mr. Davis having left for London. The professor asked me to send the money ($500) which he was to receive for that report, to his wife, in New Haven, giving me her address.

Q. You did so?—A. I drew my own check payable to her order and sent it to her in New Haven, to pay for that report. The Flagstaff Mine was sold on the report of Professor Blake in London, about the same time or a little after the Emma Mine was sold.

Q. When did you next see Professor Blake and what took place between you?—A. The next time I saw Professor Blake was, I should say, within a few weeks after my return from London, when he called upon me at my office and wanted a settlement. My recollection is that Mr. Baxter and Walker Bros. had paid him the amount that he was to receive, unless he went out a second time, as a witness; that is, his expenses and $500. He claimed that he had made the maps and surveys expecting to have to go out there to testify, and that he ought to be paid the $2,000 which he was to receive in case he went out. I told him, I thought not; that the contract was very clear that he was to receive that much *if he went out*, and that we never had had occasion to call on him. He then said, "You promised to take me to England with you to sell the mine." I said, "No, sir; I did not make you any such promise." I said to him what I did say as I have stated it here. He said, "Well, you at least might have given me a chance to report on the mine instead of Professor Silliman, on which I could have got a good fee." I said that was a matter over which I had no control; the vendees selected their own expert and they selected Professor Silliman, and that it would have been just as agreeable to me if they had selected him, Professor Blake.

Then he says, "You used a portion of my letter to General Baxter in your prospectus, which I did not think was fair." "Well," I said, "in that, Mr. Blake, I think perhaps you have got ground of complaint. It was not my intention to use that as a report; it was designed only, as you understand, for General Baxter's information. When I went to London, and took the letter with me and gave it with all the other papers to the vendees, and an extract from that letter was published in the prospectus, and for that use of it I am willing to pay you." I said, "There was nothing inconsistent in the extract with any part of the letter, and the only reason the whole letter was not published was that it would occupy so much space in printing. But the mine was sold not on that, but on the report of Professor Silliman." Said I, "I will give you $1,000 in consideration of that." He said he thought he ought to have at least $2,000; but I told him, no, that that was what I would pay him, and I would pay no more. He spoke pretty spunky about it; and he says, "Will you give me the $1,000 and let me have my claim for the other $1,000, if I have any claim for it?" I said, "Yes, I will give you the $1,000, and you need not give me any receipt for it, and you can claim the whole $2,000 if you want to. You have no claim for this, but I make you a present of it in consideration of having used that extract from the letter." The only complaint he made was the two things I have stated; that is, not having taken him to England to help sell the mine, and the use of this extract from the letter of the 26th of July in the prospectus. I paid him the $1,000.

By Mr. PHELPS:

Q. Did he claim that there was anything inconsistent between that extract and anything else in the same letter?—A. No, sir; I said to him, and he did not make any reply to it, "There is nothing inconsistent in that extract with the rest of the letter," and that the only reason the whole letter was not published was because it would occupy so much space in the prospectus.

By Mr. PACKER:

Q. You say he claimed that it was not fair to use that?—A. Yes, because it was not designed as a report, but as a private letter to General Baxter, one of the owners. I ought to have explained before that these experts, all of them, (and Professor Blake is no exception to the rule,) would write a letter for information, while they would make you a charge for a *report* as to a mine. That is the distinction that they draw. I wish to say also in this connection that a letter directed to 45 Wall street to General Baxter and myself, would not have been received by me; it would have been received by General Baxter; it was his office, and not mine.

Mr. HEWITT. I deem it proper to state here that in July, 1872, certainly not later than that, Professor Blake told me that he had sent a second letter, and complained bitterly that it had not been used.

The WITNESS. I want to make another matter clear: that is on this question as to how I accounted for this discrepancy in the ore. I stated, as I state now, that I am not the person to be called upon to account for it, because I was refused all information and access to the mine. I was so desirous of obtaining access to the mine to solve that same problem myself, or to get the information, that I went for that purpose, and was refused as I have stated. I applied in New York to Mr. Patrick, the superintendent and manager of the Flagstaff, right adjoining the Emma, and I gave him a letter to my counsel to get access to the mine himself, and to get his foreman in there, a Mr. Cullins, and to report to

me what the condition of the mine was, and what account could be given of those discrepancies, if there were any. Mr. Patrick will be upon the stand himself and tell you how he succeeded in getting it after I had failed.

By Mr. PHELPS:

Q. When was this?—A. That was in 1874. I think it was given as early as that, or the last part of 1873.

By Mr. HEWITT:

Q. I wish to ask you one question, which I had intended to ask of Mr. Gager, when he was on the stand: On all these stock-transactions in London, outside of the original sale of the mine, did you make or lose money?—A. I made money.

Q. I mean those transactions conducted by Mr. Gager and yourself; you made money on those?—A. Yes, sir.

By Mr. BARNUM:

Q. I find, after a conversation here with Mr. Stewart, that I do not yet understand the amount you paid him for his interest in the Lyon matter. How much was the sum total of that?—A. About $275,000.

By Mr. STEWART:

Q. Including Lyon's?—A. No, exclusive of Lyon's. Lyon's is $200,000 more, making $475,000.

By Mr. BARNUM:

Q. You gave a check for $55,000?—A. $50,000, I think it was.

The CHAIRMAN. Mr. Stewart says a check for $55,000.

Mr. STEWART. I did not say a check.

The WITNESS. Yes, I think it was in a check.

By Mr. PACKER:

Q. In the $275,000 which you say you paid Mr. Stewart, did you not include the $50,000 you paid to Mr. Lyon on Mr. Stewart's account?—A. I included that.

By Mr. BARNUM:

Q. It included all you paid?—A. No, sir; but it included the $50,000.

Q. You paid Mr. Stewart in the first place $150,000 on Lyon's account?—A. Yes, I did not include that.

Q. But you paid that first?—A. Yes.

Q. And you afterward paid Mr. Lyon $50,000 more on Mr. Stewart's account?—A. Yes.

Q. You paid, then, a check to Mr. Hillyer for $55,000, $50,000 of it being for himself, and $5,000 for his brother, or somebody else?—A. Yes.

Q. And you paid Mr. Stewart a certain amount of bonds; how much was that?—A. I will call the bonds $80,000.

Q. You paid him at Salt Lake City $15,000?—A. Yes; that is what he says. I was thinking it was $10,000.

Q. Does that make all that you paid him?—A. No, sir; I paid Mrs. Stewart some money.

Q. How much?—A. According to my recollection about $25,000. Then there was $50,000, or thereabouts, that I paid to Seligman & Co. for Mr. Stewart.

Q. Who are Seligman & Co.?—A. Bankers in New York. It may have been a fraction over that.

Q. That makes about $430,000?—A. Yes.

Q. Mr. Stewart stated in his testimony that he got about $470,000 all told; of that he gave the items, and in those items he left out this $54,000 you paid somebody else?—A. My impression is (I only looked it over in my mind, and have never thought of it since) that the whole amount I paid was about $475,000, of which $200,000 was paid to Lyon, and $225,000 to Mr. Stewart. As to that $54,000, Seligman & Co. had some stocks of Mr. Stewart's as security, which they threatened to sacrifice, and Mr. Stewart came to me with his wife, and Mrs. Stewart was anxious to pay off Seligman, and take the securities from him, paying the amount out of her own trust. I advised against it, but I was overruled, and she gave me an order in writing to pay this $54,000 to Seligman & Co, which I did. There was some money which I had collected for her interest, and I think the declaration of trust that I gave her was for $50,000 for one of these bonds, and $25,000 for another, and a certain amount of money. I should have to look at my books to find out exactly.

Mr. Park, at the request of the committee, said he would look at his books, and ascertain about this.

J. L. H. PATRICK sworn and examined.

By Mr. CHITTENDEN:

Question. Are you superintendent of the Flagstaff Mine?—Answer. Yes.

Q. When were you appointed superintendent?—A. On the 13th of December, 1873.

Q. Had the mine apparently given out when you took charge of it?—A. It had apparently given out; there was not more than a thousand tons of ore in sight at the time, and the ore had apparently "pinched" at the bottom.

Q. Did you employ an underground superintendent?—A. Yes, sir.

Q. What was his name?—A. George Cullins.

Q. Did Mr. Cullins recover the ore-body in the Flagstaff Mine?—A. He discovered other ore-bodies in that mine—yes, sir.

Q. And below?—A. Below.

Q. What is the depth of that mine, now?—A. About a thousand feet from the discovery-shaft.

Q. And what is the character of the ore which you are working?

The WITNESS. Do you mean the grade of it?

Mr. CHITTENDEN. I mean, how does it compare with the upper workings in the same mine?

A. It is about the same as the upper workings in the same mine.

A. About what is your average product per day?—A. For the last seven months we have been producing about forty tons a day.

Q. State how far the vein has been actually laid open—from the Flagstaff Mine running in the direction of the Emma Mine.—A. I cannot give you the exact figures. Mr. Cullins can do that better than I can. I think about 200 feet to where we join the South Star and Titus to make connection with them, and they have made connection with the Vallejo beyond. We have gone about 600 feet beyond the discovery-shaft in the vein.

Q. Then do I understand that from the Vallejo Mine, through the South Star, up to your mine, including 600 feet beyond your discovery-shaft, the vein has actually been laid open?—A. Yes; to between 1,200 and 1,500 feet.

Q. Where does the Emma Mine lie with reference to the Flagstaff?—A. In a direct line to the southeast on this lode, and about a thousand feet from the farther explorations toward the east of our mine.

Q. Then there are about a thousand feet of the mine that have not been actually laid open between you and the Emma?—A. There are other mines between us, but they have not connected. The North Star is still between us and the Vallejo, but the connections have not actually been made between those mines—how much they have developed in the North Star I do not know, nor how far the Emma has come toward us.

Q. What efforts, if any, do you know Mr. Park to have made to get into the Emma Mine?—A. In the spring of 1875, after we had developed the Flagstaff Mine, and proved its value and depth, and after Mr. Park had taken the Emma Mine, I went to him to see if I could not effect an arrangement by which we could get the working of the Emma Mine, to have Mr. Cullins go and work it. I told Mr. Park that I felt satisfied we could get large bodies of ore, and I was willing to undertake it, and take the chances of its paying by getting the ore out and developing the mine. He said he had no authority that would warrant him in making such an arrangement, but that he had every confidence that there were large bodies of ore there, and would like to have the mine examined by Mr. Cullins, and he gave me a letter to that end to his agents out there, and suggested to have the United States marshal out there make an examination; and, as Mr. Scrimgeour was out there on behalf of the Emma Company, to have him made deputy marshal, and get the order from him. This was done, and Mr. Cullins went there, but Mr. Scrimgeour refused to give him admission, unless he had authority from the company in New York or London. That was in the spring of 1875, the first week in May, when I was in New York; and this other transaction was entered upon immediately afterward.

Q. This Mr. Scrimgeour was the agent of the Emma Company in possession of the mine?—A. Yes, sir. Up to this time he had been the agent of the Emma Company, while there was another deputy marshal, by the name of Wallace, in charge for the United States marshal on Mr. Park's attachment. They had the United States marshal discharged, and Mr. Scrimgeour appointed in his place.

Q. Thinking that you could get into the mine under his direction?—A. Yes, sir. Mr. Scrimgeour said, however, that he should resist any effort to get into the mine.

Q. Is there any difference, that you are aware of, between the character of the vein and the vein-matter at the Emma and those at the Flagstaff?—A. I do not know anything about the character of the vein-matter in the Emma, because I have not been in that mine since the spring of 1871. I was through it then twice.

Q. What, so far as you know, is the common opinion in Utah in reference to this Emma Mine, and the causes of its apparent failure?—A. The general opinion among miners is, that if the mine was properly developed, there could be large bodies of ore discovered again.

Q. And what about the causes of its failure?—A. Well, as to that I do not know what the general opinion is. The general opinion out there is that English management is generally a failure; that they mine on scientific and theoretical principles, and they generally fail.

Q. What is your opinion?—A. My opinion, based on the experience we have had in the Flagstaff Mine, is, that if properly developed and sunk, it will prove that large bodies of ore will be discovered.

Q. How are mines usually worked with reference to carrying on the

process of development and extraction of ore? What is the proper way of working a mine?—A. That differs very much with different miners. The generally-received idea of working a mine is to sink down shafts in the lode, and run off drifts and levels, exposing the ore-bodies wherever discovered.

Q. Do you keep up the process of exploration at the same time that you are taking out ore?—A. Yes. If you do not do that, you will soon exhaust your ore. That is a self-evident proposition.

Q. Is that the way in which the other mines, so far as you know, on this lode are worked?—A. Yes, sir; it is the way we work our mine.

Q. Since Mr. Cullins took charge of your mine underground, has there been any cessation in the output of the ore for any length of time?—A. There was a cessation during last summer, when we were putting up hoisting-machinery and changing our shaft.

Q. But I mean has there been any cessation in the yield of the mine?—A. I believe not. We continually produced ore since he has taken charge of it, with that exception.

Q. At the time of the Emma Mine litigation in 1871 was your brother marshal of Utah?—A. Yes, sir.

Q. Mr. Lyon states that at that time yourself and your brother were interested in the Emma Mine. Is that so?—A. We were not, sir.

Q. Neither of you?—A. Neither of us.

By Mr. HEWITT:

Q. Who is the owner of the Flagstaff Mine?—A. An English company.

Q. Are they in possession at present?—A. They are in possession at present, through me.

Q. You are their agent?—A. I am their agent.

Q. That is, agent of the English company?—A. Yes, sir.

Q. Working under their direction?—A. Yes, sir.

Q. Who was in possession when you went to the mine to take possession of it?—A. The English company.

Q. Have you ever been in possession under Mr. Davis?—A. I am in possession under Mr. Davis and the company together.

Q. Whom do you represent; who is your employer?—A. I am employed by the company, and acting for Mr. Davis. If you wish me to state more explicitly, I will do so.

Mr. HEWITT. I wish you would explain about it fully.

The WITNESS. Mr. Davis had advanced the company large sums of money, and the management had got the company so far in debt that they were compelled to have further advances, and he only advanced them on condition that I should be made manager until this money was paid back—an irrevocable manager.

Q. Then you are manager for Mr. Davis?—A. No, sir; I am manager appointed by the company, under contract with Mr. Davis that I should be appointed by them.

Q. To whom are you to pay the proceeds of the mine?—A. I am to pay the proceeds of the mine to Mr. Davis until he is paid off.

Q. Do you know what is the par-value of the shares of the Flagstaff company?—A. The par-value is £10 per share.

Q. Do you know what the market-value is now?—A. About £1 10s.

Q. And yet the mine is a prosperous mine?—A. It has been prosperous, but we have developed it very largely, and have had very heavy expenses.

Q. The shares were placed at £10 in London?—A. Yes.

Q. Who placed them?—A. Mr. Davis.

Q. But who brought the mine out, and promoted it in the English ıarket?—A. Mr. Davis, I believe.

Q. Do you know whether Mr. Albert Grant had anything to do with ıe promotion and sale of that mine?—A. I think not; I do not know, f course; but I think not; I never heard that he had.

By Mr. CHITTENDEN:

Q. Was that mine sold upon Professor Blake's report?—A. Pro-ssor Blake made a report, with other gentlemen, and his report was in ıe prospectus.

Q. After the failure of the Flagstaff Mine, did you understand that suit was brought by the company against the vendors of the mine in ıngland?—A. Yes, sir; there was one brought against the directors nd the vendors.

Q. And it was the settlement of that suit which produced this con-ract for the mine to be worked under your direction?—A. No, sir.

Q. How was it then?—A. The suit was brought after this contract was ffected.

Q. What became of it?—A. I do not know; I think that it has been bandoned; but I really do not know what has become of it.

By Mr. PACKER:

Q. What is the distance between the opening upon the Emma Mine nd the opening of the Flagstaff Mine?

The WITNESS. Between the discovery shafts?

Mr. PACKER. Yes.

A. I should think that it was about 2,200 feet between the two shafts.

Q. Are they on the same slope of the mountain?—A. Yes.

Q. The Flagstaff is higher up the mountain than the Emma?—A. Yes; the Emma is away down.

Q. Do you know what the difference is in the elevations?—A. I hould think about a thousand feet; I do not know the exact figures; t is a vertical difference; the vein goes into the hill at an angle of 45 egrees.

Q. How does the outer surface correspond with the pitch of the vein—he lode that you speak of?—A. I do not know that I understand the uestion exactly, but if I do, I should say that the vein pitches in at an ngle of 45 degrees, running northwest and southeast.

By Mr. CHITTENDEN:

Q. You say that between those two mines the vein has been laid open s you have described?—A. Yes.

Q. Is the Flagstaff upon the same vein with the Emma?—A. I believe t is. There have not been any tracings between the Flagstaff and the Emma—that is, there has been no connection made; but a connection as been made with the South Star, and the South Star with the Vallejo, hat should run for about eight or nine hundred feet in the direction of he Emma from the Flagstaff discovery.

Q. What is the opinion among mining men, there, as to whether the Flag-taff and the Emma are in the same vein?—A. Every mining man out here who has examined it believes that they are in the same vein; and here is hardly a question about it, although the fact has not been de-ıonstrated.

By Mr. HEWITT:

Q. You say the Flagstaff is producing large quantities of ore now?—

A. We are producing about forty tons a day since we resumed work last fall after the hoisting-machinery was completed.

Q. You consider it now to be a profitable mine?—A. Yes.

Q. And yet the stock is only selling for £1 10*s.*?—A. Yes; but the company is very heavily in debt.

Q. Was it in debt when they sold it in London?—A. No, sir.

Q. Then it was sold clear of debt?—A. Yes.

Q. It has not, then, been a profitable mine to the owners?—A. It has paid, I forget how much dividends, but about $500,000 or $600,000 in dividends to the owners.

Q. What was it sold for—how much in the market?—A. A million and a half dollars—£300,000.

Q. And it has paid $500,000 or $600,000 and got $500,000 or $600,000 in debt?—A. Yes, sir.

By Mr. CHITTENDEN:

Q. How did it get in debt? Did it not get in debt through incompetent management?—A. Yes, sir.

Q. And you are trying to get it out?—A. Yes, sir. I do not know whether my management is any better than the other management.

GEORGE CULLINS, sworn and examined.

By Mr. CHITTENDEN:

Question. In what capacity are you connected with the Flagstaff Mine?—Answer. Underground superintendent.

Q. How many years' experience have you had in silver-mines?—A. Fifteen years in silver-mining.

Q. When did you first work in the Flagstaff Mine?—A. I first worked in there in 1872—in the months of May and June, and part of April.

Q. When next?—A. Next again in December, 1873.

Q. Was that about the time of this change of management?—A. Yes; or just before the change.

Q. Who was working the mine when you went from there in 1873?—A. Mr. Maxwell was manager.

Q. Who was he?—A. He was the manager of the Flagstaff.

Q. Was he a gentleman sent over from England?—A. Yes, sir.

Q. And who was the underground superintendent?—A. Mr. Goldsworth.

Q. Was he also sent over from England?—A. Yes, sir.

Q. In what condition was the Flagstaff Mine when you went back there in 1873?—A. There was very little ore in sight—perhaps a thousand tons; perhaps not that much; certainly not over that.

Q. For what purpose did Mr. Maxwell get you back there?—A. To try and get him ore. He said that things had got into such a condition that he must have ore, if possible, to help him out. He rather lost confidence in Mr. Goldsworth, for some cause or other, and asked me to go there and see if I could not get some ore out of the mine.

Q. Did he represent the company as being in debt?—A. Yes.

Q. Largely?—A. Quite largely. He did not state the amount; but heavily in debt.

Q. Did the change in the management which brought in Mr. Patrick take place after you went there?—A. About two weeks; yes, sir.

Q. And were you then appointed underground superintendent?—A. Yes, sir.

Q. How far down was the mine—how deep?—A. About 600 feet was the greatest depth on the course of the vein.

Q. What steps did you take to recover the ore?—A. By pushing developments in the bottom.

Q. Describe them briefly.—A. I first started a level from the shaft on the course of the vein, and cross-cut from that.

Q. How long was that level?—A. That level was about 400 feet.

Q. On the course of the vein?—A. Yes, sir.

Q. In that level did you find any ore?—A. Not immediately in the level.

Q. Then you say you cross-cut?—A. I cross-cut on the vein.

Q. Did you find any ore?—A. Yes.

Q. What did you do when you found these indications of ore?—A. I followed them up until they led to ore—until I found ore in nearly every instance in various bodies, and from that I sank.

Q. Has the yield of the mine since that time ever given out?—A. No, sir; not while they were working the mine for ore. There was a time last summer that we were putting in machinery, making some changes, and we did not produce any ore during that time.

Q. I wish you would explain to the committee what course you take in such a mine as that, to find the ore when it has once given out. Describe it briefly.—A. By running levels and cross-cutting, and sinking winzes in different parts of the mine. Winzes are perpendicular and inclined shafts.

Q. After the Emma had ceased working did you employ men in the Flagstaff that had been mining in the Emma?—A. Yes, sir; I had quite a number with me.

Q. Did they give you any account of the condition of the Emma Mine when they left it?—A. Yes, sir.

Q. What was it?—A. The explanation was reached in this way: in our mine they were put to following slight traces, very small seams of ore, and they told me that they had seen or worked on a great many similar seams in the Emma, and had been taken off of workings when the ore showed a great deal better than we were working.

Q. Did they tell you the width of the seams or showings from which they had thus been taken off?—A. Yes; they had been taken off of seams of from twelve to eighteen inches, and as high as two feet in width.

Q. You set them to work to follow any traces of ore that you could find?—A. Any traces whatever that I could find.

Q. Do you profess to be a mining expert?—A. I cannot say that I do; no, sir.

Q. You are simply a miner; that is all you profess to be?—A. Yes.

Q. Have you made any examination of the tunnels that have been run into the Emma Hill, and the stuff that has been taken out of these tunnels?—A. I have made some examination of the material that has been taken out of those tunnels.

Q. How does it compare with the vein-matter in the Flagstaff Mine?—A. What I have seen dumped of the Bay City tunnel is exactly the same as in the Flagstaff; and also what I have seen of the Equitable tunnel has been the same as the Flagstaff.

Q. Have you seen this map which I now show you, "Plan, profile, and sections of the Bay City tunnel?"—A. The only one I have seen is this one.

Q. You notice the relation of the tunnel to the Emma Mine; does that appear to be correct on that plan?

The WITNESS. This is supposed to be the Emma works, is it?

Mr. CHITTENDEN. Yes; part of them. The Atwood winze is not laid down on it.

A. Yes; that seems to be correct.

Q. It is correct so far as you know?—A. Yes.

Q. Have you made any effort to get into the Emma Mine?—A. I have.

Q. What for?—A. For the purpose of examining it—to see the condition of the mine, and to see what I thought the prospect would be of taking out ore.

Q. At whose request did you make the efforts?—A. At the request of Mr. Patrick.

Q. Was that upon the occasion that Mr. Patrick disclosed awhile ago?—A. The same.

Q. Did you know anything about the appointment of Mr. Scrimgeour as deputy marshal? Did you apply to him?—A. I did.

Q. What did he say the first time, and what the second time?—A. The first time he told me that he could not let me in that day, but he thought if I would come back in two or three days he could let me into the mine. I went back, I think, on the third day, and he then told me that he could not possibly let me in.

Q. Did he make any reference to Mr. Atwood?—A. He did, or rather to the Emma Company. He said he had consulted with Mr. Atwood, and I think their attorney, in Salt Lake, but I will not be positive about that.

Q. What was the result? Did he decline to let you in?—A. He positively declined to let me in.

Q. And you have never been able to get in?—A. I never have.

Q. Did you hear Mr. Patrick's statement here as to the length upon the vein where it had been laid open from the Flagstaff running toward the Emma?—A. I did.

Q. Was that statement correct?—A. I think it was.

Q. What is your opinion as to whether the vein is a true vein of silver-ore?—A. Well, my opinion is that it is a true vein.

Q. Has it definite hanging and foot walls?—A. It has. Wherever we have cross-cut to the walls we have always found every claim distinct.

Q. For what distance have you followed those hanging and foot walls—what length on the vein?—A. A distance of about 600 feet, not on the hanging or foot wall all the way, but in places, say half a dozen places in that distance, we cross-cut to the hanging-wall, exposing in places from 50 to 100 feet, and in other places there would be from 50 to 100 feet that never has been exposed.

Q. Have you followed this vein through toward the Vallejo Mine?—A. Yes; I have followed it through to the South Star.

Q. Does the Flagstaff connect with the South Star?—A. Yes.

Q. And the South Star with the Vallejo?—A. Yes.

Q. The vein, I understand, is laid open from the Flagstaff through the South Star to the Vallejo?—A. Yes.

Q. How far is it from the Vallejo tunnel or shaft, where this vein has been laid open, to the Emma discovery-shaft?—A. From 1,000 to 1,200 feet.

Q. What is your opinion as to whether or not the Emma Mine is upon the same vein as the Flagstaff?—A. I believe it is.

Q. From your knowledge of mining there, what would you say about the promise of the Emma Mine; whether it is worth exploring and working?—A. My opinion is that it can be made a paying mine by proper developments.

Q. Is that the opinion of miners there, so far as your knowledge extends?—A. Yes, it is the opinion of miners there.

Q. What developments are there between the Vallejo and the discovery-shaft of the Emma?—A. The North Star is the only mine, I believe.

Q. Do you know how far that has the vein laid open?—A. Only from what I have been told.

Q. Have you not been there?—A. I have never been there.

Q. Where does this Equitable tunnel start, and where does it run with reference to the Emma Mine?—A. It starts a little below and to the westward of the Emma tunnel.

Q. And on a higher or a lower level than the Bay City tunnel?—A. On a higher level.

Q. Do you understand that that has run into old Emma workings?—A. I have been told so by the superintendent of the Equitable.

Q. Where did they run from there?—A. I was told that they were stopped when they struck the old workings of the Emma by order of Mr. Atwood; they were not allowed to go further. They asked permission, I believe, to go through the old workings, but that was refused them, and they went back and turned to the west, and ran around the northwestern end of the Emma works.

Q. Is it understood that they had found ore?—A. Yes.

By Mr. PACKER:

Q. That is the Equitable? [Indicating it upon the map.]—A. Yes.

Q. Is that at a greater or lower elevation than the Bay City tunnel?—A. Considerably higher.

Q. How much higher?—A. Vertically, about, I should say, 200, or perhaps 250, feet.

By Mr. CHITTENDEN:

Q. What is the report about the discoveries of the Bay City tunnel?—A. It is very currently reported that they struck quite a large body of rich ore.

Q. That they struck it where?—A. At the end of their tunnel, supposed to be in the Emma vein or lode, and I should judge from the length of the tunnel, and what they told me of it, that it must be on the Emma vein.

By Mr. PACKER:

Q. Have you ever been in the Bay City tunnel?—A. I have been in part way; I was in last July.

Q. How far?—A. I was in there about 1,300 or 1,400 feet.

Q. Have you been in since that time?—A. I have been in part way since that time.

Q. How far?—A. I do not know the distance I have been in; at least 1,500 feet.

Q. Far enough to be in the direction of the Emma lode?—A. Well, I do not think that that distance would reach the Emma lode.

Q. Do you know whether the tunnel has been driven in far enough to reach the Emma lode?—A. I have been told that it has.

By Mr. HEWITT:

Q. Do you know that it does?—A. I really cannot say whether it does or not.

By Mr. PHELPS:

Q. How far have you been in?—A. I think quite 1,500 feet.

By Mr. CHITTENDEN:

Q. Will you please to state what you have seen in the Bay City tunnel, and when you saw it?

Mr. HEWITT. It is proper that I should say to the witness that the committee does not require him to violate any confidences. It rests entirely with the witness to say whether he will answer the question or not.

The WITNESS. I have been in the Bay City tunnel.

Q. Will you tell us what you saw there?—A. I saw ore in there.

Q. Much of it?—A. It would be very hard for me to state how much. The air was very bad; they had to use an air-compressor to force the air in, so that the men could work in there. The compressor was not working at the time I was in there, and the lights were burning very dim, and it was almost impossible to see anything in there; but I saw enough to see that there was ore there.

Q. How thick was the ore?—A. I should think it was three or four feet.

Q. Had there been a drift run on the line of this ore?—A. A very short one when I saw it.

Q. How long?—A. Not over ten feet.

Q. Was that all ore?—A. There was ore on one side of it, and ore in the face.

Q. What was the grade of that ore?—A. I do not know what was the grade, of my own knowledge.

Q. Have you heard from the tunnel company what it was?—A. Not from the tunnel company; I have heard, from other sources.

Q. What did you hear?—A. I have heard out there that they had got ore there that brought as high as $1,500 a ton, and I have heard that it brought $500, and $300, and all the way down to $50 a ton.

Q. Where is this ore-body which you saw, with reference to the Emma vein? Continuing down the Emma workings, on the depth of the vein, where would it strike with reference to this ore-body, in your opinion?—A. That would be a mere matter of opinion.

Mr. HEWITT. It would be mere guess-work, would it not?—A. Guess-work altogether.

By Mr. CHITTENDEN:

Q. I want to know what your opinion is with reference to this body of ore—whether it is where it ought to be, if it is on the Emma vein?—A. My opinion is that it is on the Emma vein.

By Mr. PHELPS:

Q. If they followed the Emma vein down on that course would they strike this body of ore, in your opinion?—A. By working far enough to the west they might. I do not think that, from what I have been told of the Emma works, they are far enough to the west to strike this; I mean any of their old works.

By Mr. CHITTENDEN:

Q. Do you know whether or not this tunnel company claims that this is or is not on the Emma vein?—A. I do not.

By Mr. HEWITT:

Q. If you wanted to ascertain whether one vein was probably a continuation of another in a tunnel of that sort, would it not be necessary to take accurate measurements?—A. To determine positively, it would.

Q. And could any man tell, in such a visit as you made, within 100 feet of probably the line?—A. I do not think he could positively know, sir.

Q. In regard to the Flagstaff opening, which is said to be a very

good one, how large a body of ore have you got there now; that is, what is your longest drift of ore on the length of the mine?—A. Our ore there lies in chimneys, or shutes, or pipes.

Q. Take a section of the pipe, how much in each direction would it be?—A. They vary in size. We have quite a number varying from 8 feet in diameter to 2 feet.

Q. What is the largest?—A. Probably there is one there that is 75 feet.

Q. And is that continuous for any long distance in the direction of the pipe?—A. Yes.

Q. Does it close in at the top or bottom?—A. It is for 150 feet on the course of the vein, going down; it varies in size.

Q. It varies in the widths?—A. Yes.

Q. Between what limits, say from 15 feet, to what smaller width?—A. From 15 feet to 6 feet.

Q. What property would you rather have, the Flagstaff or the Emma?—A. Well, never having been in the Emma, I cannot say.

Q. Suppose you had your choice between the two properties on what you know of them now, which of them would you prefer?—A. I cannot say.

Q. Have you ever had any reason to think that the Emma is more valuable than the Flagstaff?—A. That I cannot say, for I know nothing about it.

Q. I asked if you had any reason to think that it is.—A. I have never seen the Emma.

Q. Well, have you any reason to think that it is more valuable than the Flagstaff?—A. I have heard from reports that they have found larger bodies and richer bodies of ore in the Emma than they have ever taken out of the Flagstaff.

Q. From the Emma Mine itself?—A. Yes; ore that has been taken out.

Q. But you have no reason to suppose that there are bigger bodies in it than there are in the Flagstaff?—A. I do not know that I have.

By Mr. CHITTENDEN:

Q. Is it not well understood that the Emma ore is a higher and a richer grade of ore than the Flagstaff?—A. Yes, that is so understood.

Q. And from having found these large bodies of rich ore, would you not think, as a practical miner, that there was a good prospect of its having other large bodies of the same kind of ore?—A. I would think so.

Q. Take the Flagstaff, as it was when you took charge of it, and the Emma as it is now, with its past production, which mine would you rather have?—A. I would rather have the Emma, taking the reports as my guide—reports of the value of the ore, and what they got there.

Q. Is it not the general belief in Utah that this body of ore struck in the Bay City tunnel belongs to the Emma Mine?—A. That is the general belief.

Adjourned.

Immediately after the adjournment, Mr. Hewitt presented the following letter, received by him:

U. S. COMMISSIONER OF MINING STATISTICS,
27 PARK PLACE, (P. O. BOX 4404,)
New York, April 13, 1876

DEAR SIR: I find on page 51 of the printed testimony before your committee, relative to the Emma Mine, a letter from Professor Silliman to Mr. Anderson, transmitting

an editorial on "The Emma Suit," from The Engineering and Mining Journal of August 6, 1872. Professor Silliman assumes that I wrote the article in question, an error which I beg leave to correct, since it may lead to the belief that I have changed my views since the article was written. The author of it was Mr. Church, at that time editor, as well as myself, of the Journal; and it was written and published while I was in the far West, as the dates of my editorial letters from Nebraska, July 24, and from Denver, Colorado, August 12, bear witness. These letters were published in the Journal about that time.

The sympathy which the article expressed with the Emma Company I fully shared, believing that company to be at work in good faith, and to be harassed by mere pirates. But on my return, late in the autumn, I told Mr. Church that he had not perceived the real point of the decisions of the court, and that we could not allow the construction of the law there given to pass unchallenged. Accordingly, I wrote another article, which was published December 17, 1872, and a brief reiteration of my opinion in January following, both of which I send you. These articles do not strictly contradict the theory on which Mr. Church wrote. As appears from his article, he did not understand that the court held it lawful for a patentee to follow *the course* of his vein outside of his surveyed limits. It was on the dip that, according to that article, the ore could be followed; and if that had been the force of Judge McKean's decision, I should have joined in applauding it.

Permit me to add a few words, pointing out exactly what is the difference in construction.

Section 2 of the law of 1866 says the claimant may "receive a patent therefor, granting such mine, together with the right to follow such vein or lode, with its dips, angles, and variations, to any depth, although it may enter the land adjoining, which land adjoining shall be sold subject to this condition." I hold that the words "to any depth" clearly indicate the construction to be put on the word "follow," which they qualify.

The act of 1872 removes all ambiguity; but without that, the meaning seems clear that the miner may follow the dips, angles, and variations of the lode downward, within the end-lines of his claim, as shown by the survey. The Land-Office construed it to mean that he could follow variations in course outside of the surface-boundaries; and Judge McKean so ruled in the Emma-Illinois case. But Judge Belford, of Colorado, in the well-known "Hercules" case, held the opposite construction. The principle has never, so far as I know, been settled by any higher authority. Mr. Willis Drummond, then Commissioner of the Land-Office, wrote to Judge Belford, after the above decision, an opinion, dated December 26, 1872, on "what is conveyed by a patent," in which he declared that the patentee had the right to follow the vein, in course as well as dip, outside his surface-limits. But in the same letter he asserted that the act of 1872 gave the same right as to the particular vein patented, though not as to other veins the top or apex of which might be within the survey. These, he said, could be followed only downward beyond the surface-boundaries. But the law of 1872 makes no such distinction.

It is merely a clearer statement of the principle intended to be laid down by the law of 1866. Mr. Drummond says that he follows the "uniform construction" of the Office as to the act of 1866. That is undoubtedly the way in which he was led into so strange a position. The "uniform construction" was established by Mr. Jos. Wilson, whose rulings on many points, when the law was new, and the conditions of western mining were little understood at Washington, were subsequently found untenable.

There is another feature in the Emma-Illinois case which deserves mention. The Emma *location* was later than the Illinois. According to a subsequent decision of Judge McKean, (a notice of which is in the Journal I send you,) if the Illinois people had only applied for a patent, the newer patent with the older equities would have superseded the older patent with newer equities. The rights of the Illinois claimants, in other words, were not extinguished by the Emma patent. The only answer to that must be, that they should have protested while the Emma application was pending. But the Emma *survey* did not cover their claim. They had no basis for a protest. Their only remedy was to insist on their rights when their ground was actually invaded. The application for a patent must show exactly the boundaries claimed, and these boundaries must limit the patentee, except "in depth." There is no other way of having fixed titles at all.

I repeat that the Emma Company had my personal sympathy in this particular contest. I thought their antagonists were merely blackmailing them, and I was glad the case was settled in favor of the *bona-fide* operators. But the principle declared in the decision was a mischievous and, in my opinion, unwarrantable construction of the law.

I beg you to notice that Mr. Park, in writing to Mr. Anderson of the case, (p. 48,) quotes the law, *omitting the words* "to any depth," and says "the title is perfect to 2,400 feet on the vein, wherever it may run to, and no court will be found in this country that will hold otherwise."

Mr. Chittenden, in questioning me before your committee, also omitted the words "to any depth," which, together with the phrase "dips, angles, and variations," limit the meaning of "follow."

In section 4 of the act of 1866 the same phrase is used, but here the words "to any depth" immediately succeed the word "follow," making the meaning still clearer. It is not my desire to trouble the committee with this discussion. If the article of Mr. Church is in evidence, I should like my article of the following December to be put in. Otherwise you may make any or no use of the material, as you see fit.

Very respectfully,

R. W. RAYMOND.

Hon. A. S. HEWITT,
Washington, D. C.

WASHINGTON, D. C., *April* 20, 1876.

H. H. BAXTER sworn and examined.

By Mr. CHITTENDEN:

Question. I wish you to state as briefly as you can all the substantial facts of your connection with the Emma Mine.—Answer My attention was first drawn to the Emma Mine in the winter of 1870 or 1871, by my former business partner, Mr. James W. Selover, who stated that he had several letters about the property from a Mr. Davis, of California, I think, who had a bond for the purchase of the mine. He said he believed it was a very fine property, and that Mr. Davis was going to New York to find somebody who was willing to help him in making the purchase of the property. At this time I declined to have anything to do with it, as I knew nothing about mining operations. I saw him once or twice after that, and after Davis came to New York he came to urge me again. About that time Mr. Park came to me and stated that he had had an interview with Mr. Davis, and had thoroughly investigated the matter, and thought it worth my while to see him on the subject. Finally I consented, and they came to the St. Nicholas Hotel, where I saw Mr. Davis, and also Mr. Walker, of Salt Lake City, who was a third owner in the mine. Mr. Walker showed me a statement which he had made up from the books of the Salt Lake Company, showing the operations of the mine, the amount of ore taken out, the cost of mining, and the general condition of the property at that time. It resulted finally in my agreeing with my friend, Mr. Selover, to go out and look at this property, provided he would agree to go with me, and give me the benefit of his judgment as to its value, which he agreed to do finally. I assured him that I would pay his expenses, and if I bought the mine I would remunerate him for his time and trouble. A few days after this I went to Salt Lake City, and Messrs. Selover, Park, and Walker accompanied me. After arriving there I took this statement which Mr. Walker had given me, and proved its correctness and accuracy from the books of the company. I think the next day after that I went to the Emma Mine with the party who accompanied me from New York, and with some others from Salt Lake, who were interested in the property. We went in and examined the mine thoroughly, and after being there some few days we came back to Salt Lake City. After that we compared the result of our investigations, and had several interviews upon the subject with Mr. Selover as to his opinion of the value of the mine. He was of the opinion that it was a most wonderful property, and of great value, and that he believed there was fully a million and a half dollars' worth of property in sight; but as there was litigation, or likely to be litigation, I must be my own judge of what I would do in the matter. I received,

I suppose, some eight or ten anonymous letters, directed to me at the hotel, in all of which the property was pronounced to be very valuable, but advising me to look well about the title. This, together with the conceded fact that there was doubt in regard to the title, alarmed me somewhat. I had several interviews after that with Mr. Park as to the probability of our getting the title to the property if we bought it, and I was convinced from what he told me that it would be better to make a proposition for the purchase of the property. I then wrote a letter to Park, authorizing him to make a proposition of this character for one-half of the interest of each of the owners of the property, and if they accepted the offer, I authorized him to make drafts on me in New York for the amount and I would meet them when they fell due. Immediately after this I came down to the junction, and returned with Mr. Selover to New York, leaving Mr. Park at Salt Lake. Park made the proposition substantially as I had directed him, and it was accepted. I paid the drafts in New York as they were presented, and I wish to say here that my confidence in the property at that time was such that when I had paid the drafts I had invested in the Emma Mine about all I was worth. Then, according to our agreement, a company was formed in New York, of which I was elected president.

Q. What amount did you pay?—A. The amount was $375,000. I have the drafts here with me, if the committee desires to see them.

By Mr. PACKER:

Q. To whom did you pay the money?—A. The drafts were given to Mr. Walker for himself and some others, and I paid one, I think, to Mr. Hussey.

Q. From whom was the conveyance of the property received?—A. It was received from the mining company. These gentlemen were stockholders in the mining company which had been formed there. Park devoted himself the whole time to the mining operations, and I received the ores that were shipped from Salt Lake and forwarded them to Bath & Son, of Liverpool, and Lewis & Sons. The ores were sold and the avails were turned over to our financial agents, and the moneys devoted to the payments of expenses from mining, freightage, &c. After a while Park came to me and told me of this proposition to deal with Mr. Lyon, and get our patent, and stated that it would probably involve the sale of the mine in London. It was about the time that Lyon was making this negotiation with Stewart. Mr. Park left for London, and soon after his getting there I received a dispatch from him to employ Mr. Silliman to make an examination of the Emma Mine and to make his report to Coates & Hankey of London. Mr. Selover, after coming East with me, returned immediately to Salt Lake and spent the summer there and invested money in other mines.

Q. Was that telegram which you received from Mr. Park in plain language or in cipher?—A. It was in plain language, directing me to employ Mr. Silliman to make an examination and report of the mine. I did not know Mr. Silliman at that time. I wrote to him to New Haven, inquiring whether he would go to Salt Lake and make this examination and report. He either wrote to me or telegraphed me that he would meet me on a particular day at the Brevoort House. I lived at the Brevoort House myself at the time, and I was introduced by the proprietor to Mr. Silliman. He told me that having commenced his lectures at the college, he did not see how he could go to Salt Lake. I urged him to go for the reason that they had selected him to make the examination, and he finally said that if he could procure anybody to con-

tinue his lectures at the college he would go. He wrote me in a few days that he had found a man, and then it was that he came to New York again, and I had an interview with him about his charges. I told him that I would like to know what his charges would be. He said that his charge would depend altogether upon the work he had to do. That if he went he should charge me $5,000 in advance for going; that he would not examine the mine for less than $10,000, and that he would not charge more than $20,000, and I had to leave it there.

By Mr. HEWITT:

Q. Do you mean $10,000 or $20,000 in addition to the $5,000?—A. No. $20,000 for the whole. He was to have $5,000 in advance. That was as near as I could come to any arrangement with him. He then returned to New Haven with the understanding that he should telegraph me when he would be able to go. In a few days I received either a letter or a telegram, (I am quite confident it was a telegram,) saying that he would be at the Brevoort House, prepared to go to Salt Lake, on a certain day, (the same day or the day after,) and that Mrs. Silliman would accompany him. In the mean time I told Mr. Selover that Mr. Silliman was going to make this examination, and as it was about the time that Selover was going out, he said he would like to go with Mr. Silliman. I suggested to him that it would be a good time for him, when Mr. Silliman was out there, to have him examine his property, in which he had been investing the previous summer. He decided that he would go, and he met Mr. Silliman at the Brevoort House, and went from there with him. Before he left I told Mr. Selover the arrangement that I had made with Mr. Silliman, and that the report was to be sent by telegraph to Coates & Hankey, in London, and that when Mr. Silliman's report was ready to be sent I would arrange for the payment of it if Selover would telegraph to me about it. I knew that the telegraphic charge for the report would be very large. I received a telegram from Mr. Selover, saying: "Mr. Silliman's report is ready, and will be sent to-night." So that day I went to Mr. Orton, president of the Western Union Telegraph Company, and said that Mr. Silliman was going to send a report of the Emma Mine from Salt Lake to London, and asked him if he would receive it in New York that night and forward it to London, and send the bill to me for payment. He said he would do so, and the next day he did do so, and I paid it. After the mine was sold in London, the company asked me to continue in its service and to ship this ore as I had before done. I remained in the service of the company, shipping ores as I had previously done, until, I think, October, 1872. At that time I resigned my directorship in the company. When Mr. Park came home from London I was asked to turn over my books and memoranda and any money in my possession to Mr. Park, and I did so. That ended my relations with the company, as far as my active employment was concerned.

By Mr. WILLIAMS:

Q. Was the $20,000 the price that was agreed upon with Professor Silliman?—A. No, sir; it was not the price agreed upon. He said, in the first place, that if he went out he wanted $5,000 in advance, and I gave him my check for that amount. When I urged him further to state what his bill would be, saying that I knew nothing about such service, as it was the first that I had to do with a mine of any kind, he then assured me that he would not examine the mine for less than $10,000, and added, "I will say to you that I will not charge more than

$20,000." And there it was left between Professor Silliman and myself.

By Mr. CHITTENDEN:

Q. State the cost of that telegram.—A. I think the bill was exactly $3,012.

Q. Have you related all the conversation, or the substance of it, that took place between you and Professor Silliman in advance of his going out?—A. I think I have, as nearly as I can recollect it.

Q. Do you have any knowledge of any attempts being made by anybody to influence Professor Silliman's report or opinion in regard to that mine?—A. I have not.

Q. Did you tell him by whom he had been selected to make the examination?—A. I did. In the first interview I had with him I think I told him that the report was to be made for the parties who had bought the property.

Q. When did you first get a copy of Professor Silliman's report?—A. The first I ever saw of the report was when it was sent back from London to New York to me.

By Mr. PACKER:

Q. Do you recollect whether you told Professor Silliman that you wanted the report for the parties who had bought the mine, or for parties who were proposing to buy?—A. I cannot state my exact language, but I gave him to understand that the report was to be made to the parties who either had bought or contemplated buying the mine. I think that the mine was sold on the report of Professor Silliman. I think my dispatch to him said so, but I am not positive.

By Mr. CHITTENDEN:

Q. Have you stated all you know about any payments to Professor Silliman?—A. I do not know anything about the payment to Professor Silliman except the $5,000, which I paid him, excepting what was told me by Mr. Selover, who said that he paid him.

Q. How came Mr. Selover to have anything to do with paying Professor Silliman?—A. I promised Mr. Selover that if we did not buy the mine we were negotiating about, I would pay him for his expenses, and if we did buy it I would deal liberally with him. Some little time after Professor Silliman's report, Mr. Selover and I had a conversation as to the amount which I ought to pay him. And I then said to Mr. Selover, "I will do this. I have paid Mr. Silliman $5,000. You understand what the contract is with him. Now, I will give you for your services $50,000, but out of that $50,000 I want you to settle with Professor Silliman; so that the $50,000 which I pay you shall cover the cost of Professor Silliman's report." I know that Mr. Selover went to New Haven to see Professor Silliman.

Q. That is the manner in which you arranged with him to settle with Professor Silliman?—A. Yes.

Q. Had you at any time afterward any doubt about the correctness or integrity of Professor Silliman's report?—A. I never had.

Q. You never afterward saw the mine, did you?—A. I never have seen the mine excepting once in my life, and that was the time that I went to make the purchase, in 1871.

Q. State whether you ever heard at any time of any preparation of that mine for Professor Silliman's examination or of any attempts made by anybody to influence his judgment in relation to it.—A. I never did.

Q. Do you believe that any such efforts were made?—A. I do not.

Q. State all that you know about William P. Blake's connection with that matter.—A. Mr. Blake came into my office in New York, and I was introduced to him by Mr. Park. That was the first time I had ever seen him and almost the only time. It was previous to his going to Salt Lake. Mr. Park told me to pay Mr. Blake $500 for his expenses. He had some arrangement with Mr. Blake about his going out there. I did pay Mr. Blake this $500. After that I received a letter from Mr. Blake; that is the letter of the 26th of July, which has been exhibited here. I showed it to quite a number of my friends who made inquiries about the mine. Mr. Park saw it a number of times, and finally when he went to London he took it with the other papers and I never have seen it since.

Q. State what subsequently occurred between yourself and Professor Blake.—A. After some time (after Mr. Park had left for Europe) Mr. Blake came to my office and brought me some maps and drawings, or something pertaining to the Emma Mine. I did not examine them. He complained to me that Mr. Park had not lived up to his agreement with him. He said that Mr. Park had agreed to take him with him to Europe if he went there to sell the mine. He said that he had made these maps and plans, or whatever they were, at Mr. Park's request, and that Mr. Park had agreed to pay him $2,000 for them. He wanted that I should take the maps and pay him the money. I told him that Mr. Park had not said anything to me about it, and that I did not like to pay $2,000 for them without an order from Mr. Park. I said to him that if he would write to Mr. Park, and if Mr. Park would telegraph to me to pay him the $2,000, I would do it. I recommended him to leave the maps there in my safe and to get this order for the money. Mr. Blake seemed to be satisfied that there was propriety in my refusing to pay him the money until I had the order. I do not know that I saw him afterward. The maps or plans were put into my safe, and some time afterward Mr. Blake came there and took them away while I was not in the office.

Q. You say that Mr. Blake complained that Mr. Park, after he had promised to take him to England with him, had not done so. Did he say for what purpose?—A. He said that Mr. Park agreed, if he went to Europe to sell the mine, to take him with him, and that he had not done so.

Q. Did he make any other complaints about Mr. Park?—A. No, sir, he did not, except this demand for money in payment for the service which he claimed he had rendered in the making of these maps.

Q. When did you first hear of any second letter from Professor Blake?—A. I never heard of any other letter from Mr. Blake until I saw it here in this committee-room.

Q. Did you ever receive from Professor Blake a letter such as he has put in evidence here purporting to have been written on the 27th of July, 1871?—A. I never did. I never received but that one letter from Mr. Blake of the 26th of July.

Q. Do you know James E. Lyon?—A. I have had him pointed out to me in this committee-room.

Q. Have you ever in your life had any conversation on any subject with James E. Lyon?—A. I never spoke to him in my life. He was pointed out to me here as James E. Lyon; but I never saw him before to know him.

Q. You have seen his statement of certain interviews with you. Did you ever have such interviews as he has described?—A. I never did.

Q. Had you ever the patent of the Emma Mine in your possession at

your office in New York?—A. I never saw the patent of the Emma Mine or any other Government patent of a mine in my life.

Q. Was that patent ever at your office?—A. Not to my knowledge. In fact, I know it was not. It could not have been without my knowledge.

Q. Mr. Lyon says that he once had a printed copy of Mr. Blake's report that was procured from you. Was that report ever printed—I mean Mr. Blake's first letter?—A. Never, to my knowledge. The letter was received by me, and was in my desk, and when friends of mine came in inquiring about how we were getting along with the mine, I may have, in a dozen instances, shown that letter to them. I showed it to Mr. Park, but still I kept the letter in my possession. When Mr. Park was going to London and took the papers from the office, he took this letter, or I gave it to him, and I have never seen the letter since.

Q. Would it be possible for you to have received that letter on the 27th July from Mr. Blake and to have forgotten it?—A. I do not think it would. The fact of receiving the letter of the 26th, and another letter on the 27th, would have, at least, astonished me. I gave Mr. Park every information that came into my possession relating to the mine, and I know that it was impossible for me to have received a second letter written the day after the first, and so very different from the first, without creating such a sensation as that I would not have forgotten it.

Q. Previous to the sale of this mine had you received information from anybody that cast any doubt on the value and persistency of the mine?—A. I never did.

Q. You had no information of that sort from any source?—A. From no source whatever.

Q. State generally what took place about the title of this mine, and what examination was made of it.—A. I received letters from London telling me that the mine was sold and that the title was to be submitted to Mr. Evarts in New York. I saw Mr. Evarts, and he told me what to do with regard to having the necessary papers before him to establish the title to the mine. I followed his directions and instructions in the matter; sent out to Salt Lake for the papers and turned them over to Mr. Evarts. About that time the company in London employed Barlow, Laroque & McFarland, a law-firm in New York, directing them to consult with Mr. Evarts and to see that the title of the mine was correct and proper. They kept me at work there for a week, getting the necessary papers to satisfy the two concerns as to the title. And I turned over to Mr. Evarts in New York all the papers of every kind and description, and I never have seen them since.

Q. Did Mr. Evarts eventually pass the title?—A. I believe he did.

Q. Have you ever heard a question raised since about the title?—A. I never have.

Q. Did you and Mr. Park subsequently guarantee this title to the Emma Company?—A. Mr. Park wrote to me from London that the matter of title was pending, and that he believed that the company would demand a guarantee of title, no matter what happened; and he said that if it did I would have to sign this guarantee. I wrote to Mr. Park that I declined to sign it; that it was a larger obligation than I would like to entail upon myself or my representatives. Afterward I heard from him again, setting forth the necessity of doing it, and finally I consented to do it, and the instrument was sent over to New York and brought to my office by Mr. McFarland, and I executed it.

Q. Did that guarantee of the title also include a guarantee against any

ding suits?—A. My impression is that it guaranteed the title to the ie against any suits that were then pending.
Ir. Chittenden said that he thought that he had this guarantee ong his papers, and, if so, he would file it.

By Mr. HEWITT:

Q. The guarantee of title was to the effect that the patent from the ited States conveyed a good title; was not that it?—A. I am no yer, although the son of a lawyer, and I cannot now state exactly at the guarantee was. The instrument was brought to me by Mr. Farland; I read it and saw that it was a guarantee of the title of the ie to this new company, and a guarantee against any suits that were n pending. So much I know.
Q. You do not know whether it was or was not a simple guarantee t the title of the United States patent was good?—A. I cannot say.
Q. You say that Mr. Park wrote back to you and urged you to do s. Did he offer you any consideration for doing it?—A. Not at that ie. That was while we were getting the title established.
Q. Then you signed the guarantee of title without any promise from . Park?—A. I did not care to bring the matter out in testimony, t Mr. Park was very much incensed at my refusing to do this. At it time there had been no purchase from the other owners of the prop- y in New York, and Mr. Park then wanted, as he had wanted before, it I should go to London and take his place and let him come back re to look after some railroad litigation which he had in Vermont, volving some hundred thousand dollars. He claimed that I had reed to go. My apology for not doing it was that my only son, then ears old, was very sick with a difficulty of his eyes, and we had great r that he would become totally blind. I wrote to Mr. Park that I uld not go to London, to take care of the matter, for that mine and all the other mines in Utah. We had some correspondence of that aracter at the time.
Q. Did Mr. Park offer you any pecuniary consideration for signing the arantee?—A. Not then.
Q. And you signed it without any pecuniary consideration?—A. I did. vould not like to swear that I signed the paper at that time, but I ote to him that I would sign it.
Q. You did sign it?—A. Eventually I did.
Q. Before signing it did you receive any promises or consideration yond the fact that you were interested in the property?—A. I did not n it without compensation. The bond was signed after Mr. Park had ade a trade with the other owners of the property, mine among the it. It was while this title was being perfected that Mr. Park wrote to that we should probably have to sign this application, but it was t until afterward that I signed it. There was an understanding with . Park that if I signed it I would be considered for the risk that I ok in signing the bond.
Q. Was there a distinct statement of what he was going to do for u?—A. There was not.
Q. Was that statement that you would be considered made prior to ur signing the contract on the 9th December, with the other owners the mine, to sell to Mr. Park?—A. I think it was after that.
Q. Then you signed the contract with the other owners prior to the ie that Mr. Park offered to give you a consideration for signing this nd?—A. Yes.
Q. And you did not sign this bond until after you had signed the con-

tract to sell the property to Mr. Park?—A. No, sir. This correspondence was previous to anything being done by Mr. Park toward buying out these other owners.

Q. Before you signed the contract of sale had any consideration been offered to you by Mr. Park for guaranteeing the title?—A. No, sir; it was after that.

Q. Then you signed the contract for sale on exactly the same basis as the other owners signed it?—A. Yes.

Q. And you had no previous understanding with Mr. Park that you were to get any more than any of the other owners?—A. Not at all, and I got no more on account of it. After the signing of this bond, and after Mr. Park came home, we talked the matter over, and we did agree upon a price which he should pay me for signing that bond and taking that risk.

Q. And in advance of your signing the bond you had no specific bargain as to what the consideration would be?—A. No, sir; that was settled after Mr. Park's return to this country.

Q. What consideration did you receive for signing that bond?—A. I do not like to go into my private affairs with Mr. Park unless the committee insists upon it.

Q. How many shares had you in the old company?—A. About ten thousand.

Q. For that you would have $500,000, less certain expenses that were to come out. Now I propose to ask you how much you did receive, so that we shall know what Mr. Park paid you for guaranteeing the title.

Mr. Chittenden submitted the question whether the committee would go into an examination of the amount of money which the different owners of the mine had made out of it.

Mr. Faulkner (in the chair) said that it seemed to him as essential a part of the inquiry as any other part of it.

Mr. PHELPS. The committee will bear in mind that this is a negotiation between these two individuals after the sale of the mine was completed, and after Mr. Park had returned to this country. It, of course, had nothing to do with the sale of the mine in England, or with any representations in regard to it. It was just as much a private and individual and subsequent matter as would be the matter of Mr. Park paying his counsel. The committee might with the same propriety ask what pay Mr. Evarts had for examining the title. Of course, it is nothing to us if Mr. Baxter has no objection. There is nothing in it that would prejudice the case, but I think that the witness should be protected from disclosing his private affairs.

Mr. CHITTENDEN. One thing further should be stated There is a suit pending in England against Mr. Park and Mr. Baxter, commenced before Mr. Park left there, involving this very question. I mean the Davis suit. That is the reason of my objection.

The WITNESS. That is the only objection I have to answering the question.

Mr. HEWITT. You have only to say that you decline to answer.

Mr. PACKER. I suggest that the witness state whether the sale from him and the New York Emma Mining Company to Mr. Park was absolute?

The WITNESS. When Mr. Stewart came over here and made this arrangement with the stockholders of the New York Emma Mining Company, Mr. Park wrote me a letter urging me to come to London and take his place and allow him to come home and look after his litigation. I was then unfortunately in the same condition as I had been

before, and no money would have tempted me to go there, even if I had lost my whole interest in the mine. In that letter he said, "Any arrangement that is made with the other stockholders, I will make the same arrangement with you, if you will come out here and take my place and let me come home." I signed the contract with the other gentlemen, expecting to get my pay, as they did, and I did get it, and no more. This matter of signing the bond was a distinct matter between Mr. Park and myself some months after Mr. Park returned from Europe.

By Mr. HEWITT:

Q. What Mr. Park gave you for signing the bond was purely voluntary on his part. He had not the slightest obligation to give you anything. Was there a bargain between you as to what you were to have for signing the bond, or anything else?—A. In another letter which Mr. Park wrote me he said that the bond must be signed, and that if I would sign it he would satisfy me for doing so. He did not say how much he would give. I frankly state to the committee that when he came home I charged him very much more than he was willing to pay me.

Q. Had you any understanding with Mr. Park that your stock would net you as much as his stock netted him?—A. No, sir; it was a purely money transaction. In fact, I do not know how much Mr. Park's stock netted him.

The further examination of the witness was temporarily suspended, and was afterward resumed, as follows:

Mr. HEWITT. Understanding that you prefer, for reasons personal to yourself, not to answer the question that was put to you as to the consideration you received for signing the guarantee, I will not press the question any further.

The WITNESS. I am much obliged.

Q. When you signed the contract of the 9th of December, which Mr. Stewart brought out or prepared, did you intend that all your interests should be sold in London under the terms of that contract or not?—A. When Mr. Park went away to London, I told him if he put that mine into a stock company that I wanted he should bring me home some of the stock, for I would like to remain a holder of stock in that concern. When Mr. Park did return, he said he had a certain number of shares of stock, and a portion of that stock I could have if I wanted it. After we had discussed the question of this settlement as to what I would do, I told him that, upon the whole, I preferred to have the stock (that he brought home for me) sold, and he took the stock and paid me, agreeably to that contract, for all the stock that I was entitled to or of which I was the owner.

Q. So that you did not retain any interest?—A. I did not retain any interest. Having previously resigned as director, and gone out of the employ of the company, I did not care to retain any further interest in it.

Q. When he went to England, did you tell him how much he was to keep for you?—A. I did not. I told him that I would like him to bring some of the stock to me.

Q. Did he indicate to you the fact that he was retaining any interest for you, before his return to New York?—A. He did not until he returned, and he then said that he had a certain amount of stock of which I could have one-third.

Q. Do you remember the amount?—A. I do not; it was not a large amount; I think not over five or six thousand shares of stock.

Q. Five or six thousand shares was the gross amount, and you could have the one-third of that?—A. Yes, sir; if I wanted it.

Q. Where was your office in New York at that time?—A. My office, while I had to do with the Emma Mine, was at 45 Wall street.

Q. Had you a post-office box?—A. I had not. My letters were delivered.

Q. Delivered by carriers at the office?—A. Yes; and after I ceased to have to do with the Emma Mine I abandoned the office—rented it to other parties.

Q. Did it ever occur during the time you occupied that office that any letters of yours miscarried?—A. I have no recollection, sir, of anything of that kind occurring; I don't think I ever went to the post-office for letters while I lived in New York; all my letters were delivered.

Q. Has it ever occurred while you lived in New York, to your knowledge, that letters addressed to you have failed to reach you?—A. Not to my knowledge. I have never known letters to fail to reach me.

Q. This second letter of Professor Blake's, you repeat that you got your first knowledge of here?—A. I never saw or heard of the letter until I saw the two letters here, and heard the subject discussed in this room.

Q. Had you never heard that it was alleged that such a letter was in existence?—A. I never did, sir.

Q. In this conversation with Professor Silliman, prior to his going out to examine the mine, did you say to him that the mine was sold or not?—A. My impression is that I said to Professor Silliman that the mine was sold to people in London, subject to his report.

Q. Being favorable?—A. No, sir.

Q. Subject to his report; that must have meant that if his report was unfavorable it was not sold. I ask you what did you mean by saying "subject to his report?"—A. What I meant was that the mine had been sold to parties in London, and that they had selected him to make a report upon the mine.

Q. Was there nothing in your conversation with him to lead him to the belief that a sale of the mine depended upon his report?—A. There was nothing at all. I never saw Mr. Silliman but at the three interviews I had with him at that time.

Q. In your conversation with him was there anything to indicate that his compensation was to depend upon the sale of the mine?—A. Not the slightest.

Q. You understood that his compensation was to be paid to him whether the mine was sold or not?—A. Yes, sir.

By Mr. PACKER:

Q. Was there any suggestion from you to him that you desired a favorable report?—A. Not the slightest. I had never been to the mine but once in my life, and I did not have any expert examine it when I was there, and I did not see the report that Professor Silliman sent until I received it from London.

WASHINGTON, *April* 20, 1876.

JAMES L. SELOVER sworn and examined.

By Mr. CHITTENDEN:

Question. Did you bring the Emma Mine to the attention of General Baxter in the winter of 1870 and 1871?—Answer. Yes, sir; I had

me correspondence with a Mr. Irwin Davis regarding the Emma ine, and after it had continued some time I submitted it to the general, d I suppose that is the first he ever heard of it; he told me so.

Q. As a result of that, did you accompany General Baxter and Mr. rk on a visit to the mine in Utah?—A. Yes, sir.

Q. Why did you go out?—A. General Baxter requested me to go, d I don't think from what he said that he would have gone if I had t agreed to go with him. He said if I would go with him, and give m my advice upon the matter, he would pay my expenses, and if he barked in the enterprise and made anything he would reward me tisfactorily. That was the only understanding I had with him.

Q. Did you visit the mine after that with Mr. Park and General xter?—A. Yes, sir.

Q. What opinion, if any, did you express to General Baxter in relan to the then value of the mine?—A. After I had looked it over refully I told the general that I thought there was a million and a lf dollars' worth of ore in sight; that I thought the mine was a very traordinarily good one, but as far as the title went I had nothing to y regarding that, and he must look after that himself; that I had ard that it was in a complicated condition.

Q. What experience had you previously had in silver-mines?—A. I ve been familiar with portions of the Comstock lode and different ines in Nevada and California.

Q. For how long a period?—A. Since 1858.

Q. You have been a mine-owner?—A. Yes, sir.

Q. When did you first know that General Baxter and Mr. Park had ade a purchase of a portion of the Emma Mine?—A. I cannot tell u the exact day. We left Mr. Park at Salt Lake City to either close decide whether he would embark in it. General Baxter and myself arted for New York. A storm overtook us, and we were snow-bound a place called Grand Island, on the Union Pacific Railroad, and were tained there some considerable time. Mr. Park overtook us there, d informed us that he had closed the trade for one-half the mine.

Q. Did he tell you the price?—A. Yes, sir.

Q. What was it?—A. It was $375,000, I believe.

Q. After you returned to New York on that occasion, did you go back Utah?—A. Yes, sir.

Q. What for?—A. I was attracted by what I had seen, the good aparance of the country in the way of mining, and I went back there embark in mining on my own responsibility outside of any interest the Emma Mine.

Q. Did you make purchases of interests in mines at that time?—A. s, sir.

Q. Did you spend a considerable part of that summer out there?— Yes, sir; I spent it nearly all there.

Q. Were you at Salt Lake on the occasion when Professor Blake and rtain others made an examination of the mine?—A. Yes, sir; I was ere when they arrived, and went from Salt Lake to the mine. I did t accompany them to the mine, but I was at Salt Lake at the time, d was also at the hotel where they stopped on their return.

Q. Was there a considerable party of experts and others that went at that time?—A. I understood that there was; how many, I do not ow.

Q. What report did they bring back from the mine at that time?—A. was all one-sided. Everybody seemed to be elated at what they had

seen. They thought it was very fine. That was the general purport of the conversation when I talked with them.

Q. Did you have any communication or conversation with Professor Blake in relation to a letter that he was preparing to be sent to General Baxter?—A. Yes, sir; I was in and out of his room a number of times during the time he was preparing that letter, and he read portions of it at different times to me.

Q. State whether or not he knew that you were either connected with or personally friendly to General Baxter.—A. Well, I should judge that he knew that I was friendly to General Baxter, and also to Mr. Park. Whether he knew that I had any direct interest in the Emma Mine or not, I do not know. I don't think that he had any idea that I had; but he knew that I was a friend of General Baxter's and Mr. Park's.

Q. State whether or not in that report or letter which he showed you, and which was then in preparation, there was anything against the value or permanence of the mine?—A. No, sir; not in any part of it that I heard or saw. It was all very much in favor.

Q. Have you read the letter of the 26th of July, in evidence here?—A. No, sir; I have not. I glanced it over, but did not read it. I simply looked at it.

Q. So far as your recollection goes, does or not that letter correspond with the statements of Professor Blake at that time?—A. I think it corresponds with the statements he made to me of the matter. He was writing at the time that I was in and out of his room.

Q. Was anything said by him to you about a second letter written the next day, the 27th?—A. No, sir.

Q. Did he show you any letter of the character of the letter which he produced here, bearing the date of the 27th of July?—A. No, sir.

Q. Did you hear anything about such a letter on that occasion?—A. No, sir. The first I have ever heard of the letter has been since I have been in Washington on this occasion.

Q. Could you have had such a letter shown you, in your judgment, without remembering it?—A. No, sir; I am positive it was never shown to me.

Q. You are positive that you saw no such letter, and heard of none?—A. Yes, sir.

Q. Did you not have an interview with Professor Blake and Professor Silliman in the December following at New Haven?—A. Yes, sir; I did.

Q. Did he, at that time, make any mention of the second letter?—A. No, sir; not in my hearing.

Q. How came that interview to be at New Haven?—A. I went up to New Haven for the purpose of seeing Professor Silliman to settle with him for his services.

Q. I don't want to go into that now; but what did you do about seeing Professor Blake?—A. Professor Silliman and myself rode to Professor Blake's house and saw him there.

Q. State whether or not the subject of Professor Silliman's report on the mine was talked of there?—A. Yes, sir; it was discussed.

Q. Was any mention made about developments in the mine which had taken place, between Professor Blake's visit in July and Professor Silliman's in October?—A. Yes, sir; Professor Silliman said that there had been some developments that had improved the general appearance of the mine very much. I recollect hearing him say that to Professor Blake.

Q. You say the subject of this second letter was not mentioned there your hearing?—A. No, sir; it was not.
Q. What do you know about the employment of Professor Silliman, d his report upon the mine?—A. I don't know that I can give the te exactly; it is a long time since, and I have no recollection of the te, but I was about to go to Utah, when General Baxter received a nmunication either by letter or telegram, from Mr. Park, in London, uesting him to see Professor Silliman and send him to Utah, for him make a report upon the Emma Mine. General Baxter told me of it, d asked me when I was going to Utah. I told him I was going in a y or two. I think I waited, perhaps, three or four days longer than should have waited had it not been to accompany the professor, and en he came from New Haven I saw him (on the second occasion that came down, not on the first) after he had made the arrangement with eneral Baxter, and he seemed to be pleased that I was going with him. ave known the professor for a number of years; and we went together. vent to the mine with him and he made the report and turned it over me, and I sent it by telegraph to Coates and Hankey, London, at the uest of General Baxter.
Q. Where did you send it from?—A. I sent it from a station on the cific Central Railway, called Corinne.
Q. Did you send any copy of that report to General Baxter?—A. No,

Q. You accompanied Professor Silliman on his visit to the mine?—A. s, sir.
Q. How did the mine look in October as compared with its appearce in the preceding July?—A. I think that, on my second visit to the ne, it showed considerably more ore than on the first visit in July. ere had been developments made during my absence, that brought re ore in sight than when I first visited it.
Q. I want you to compare now the appearance of the mine in July en you visited it, with its appearance in October when you went there th Professor Silliman?—A. Of the exact amount of drifting that had en done, I cannot give the number of feet, but there had been conlerable work done in the way of opening up the different parts of the ne which exposed large bodies of ore that were not exposed when I st went there.
Q. What was your opinion about the mine in October, when you were ere with Professor Silliman?—A. Well, it was very favorable indeed. had not changed any from the first time that I had seen it.
Q. Did you discover any signs of weakening or "pinching out" of e ore-body in that mine when you were there in October?—A. No, ; I did not.
Q. Did you discover any evidence of preparing that mine for the amination, with the view of producing a favorable impression on any pert?
The WITNESS. In what way do you mean "preparing it?" The ne had been opened up, of course; and the more a mine is opened, if e ore continues in the drifts, the better it shows.
Mr. CHITTENDEN. I mean with reference to producing a false impres-n about the value of the mine.
A. No, sir; I saw nothing of that kind.
Q. In your opinion, could that mine have been prepared so as to eive a mining expert?—A. I should not think that a man of ordinary nmon sense could have a mine "plastered" on him, as the term is

used in connection with mines. I saw nothing that would lead me to think that anything of the kind had been practiced there.

Q. Did you discover any attempt made by anybody to influence Professor Silliman to make a more favorable report than ought to have been made upon that mine?—A. No, sir; he had very little conversation with anybody, except the foreman of the mine. I was with him but very little of the time I was in the mine, and was not in his immediate company but very little, any way. He and the foreman made their observations, and from the information that he gathered he made his report. I knew nothing about what the character of the report would be until I saw it.

Q. When you saw it, did you or did you not consider it a fair report upon the mine?—A. Yes, sir; I considered it a fair report.

Q. Did you consider it in any respect exaggerated?—A. No, sir; I think not.

Q. This mine, we understand, was sold in November, 1871. Previous to the sale, had you heard, either from Professor Blake or from any one else, anything which threw any doubt upon the value of the mine, or upon its continuance and permanence?—A. No, sir; I had not.

Q. After this mine was examined and Professor Silliman's report had been sent out, did he do anything for you?—A. Yes, sir.

Q. What did he do?—A. He was at various mines in Utah and made reports on them.

Q. For you?—A. Yes, sir.

Q. State what mines he examined.—A. He visited a number of mines also for me in California at my request, some gravel-mines in Nevada County, the Blue Tent property, and one called the Quaker Hill. They were gravel-mines. He also visited a mine known as the "Old Carson" mine in Calaveras County, California.

Q. Were these mines near together, or were they distant from each other?—A. They were some considerable distance apart; I don't know how far, but he had to travel by rail some of the way in order to get to them.

Q. Did he examine a mine for you in Bingham Cañon, Utah?—A. Yes; two mines there. I don't know but what he examined three.

Q. How far were they from the Cottonwood district?—A. Fifty miles, or in that neighborhood. He also visited mines at East Cañon, Utah; that is about one hundred miles from the Cottonwood Cañon.

Q. After your return, did you have anything to do with the settlement with Professor Silliman?—A. Yes, sir.

Q. Will you state how that settlement was made and under what circumstances?—A. The time arrived when I thought that I ought to know what reward I was to have for my services, and I agreed with General Baxter that he should give me $50,000, and that I should arrange the settlement with Professor Silliman to his satisfaction, and I did so.

Q. Wait a moment. Did he tell you what talk he had had with Professor Silliman?—A. Yes, sir.

Q. What was that?—A. That he had paid him $5,000, and that he was to have $10,000 more, anyhow, and under any circumstances not to exceed $20,000, counting the $5,000 that he had paid him. I went to New Haven and had an interview with Professor Silliman, and I gave him counting the $5,000 that General Baxter had paid him) $25,000. I received $50,000, and gave him half of it.

Q. For what?—A. Well, I felt that he was entitled to half of it, inasmuch as he had done considerable work for me outside of General Bax-

er's and Mr. Park's work. I suppose I might have settled with him for ess, but I thought I would make a square deal with him, and I divided rith him.

Q. Can you make an estimate of what proportion of that $25,000 ught equitably to be apportioned to the examination of the Emma line, and what portion to the other mines that he examined for you?—A. There was a great deal more work in examining the other mines that e did examine for me than there was to examine the Emma.

Q. Did you discuss with him any question of apportionment of this abor?—A. We had some conversation in regard to it.

Q. Did you reach any point of division, as to how much would be fair or the Emma, and how much for the other work?—A. There was somehing said regarding that. I would not be positive, but I think I said o him, "You had better call it $15,000 and $10,000. Anyhow," said , "you did not have much trouble with the others; you had already nade the trip out there, and it was not much trouble for you to go from ne place to the other."

Q. The $15,000 was for what, and the $10,000 for what?—A. $15,000 or his examination and report of the Emma, and $10,000 for the balance f the work done in California in the two counties—Nevada County and Calaveras County—and the work he did in Utah, at different mines, for ne, at my suggestion.

Q. Have you had a good deal of experience in procuring the examinaion of mines?—A. I have not had a very extended one. I have had omething to do with them in that way.

Q. Did you visit the mine subsequently, in the winter of 1871 and 872?—A. Yes, sir.

Q. How many went out in that party?

The WITNESS. In the party whose business it was to go to the mine—s that what you wish to know?

Mr. CHITTENDEN. That is what I wish to know.

A. There was Mr. Brydges-Willyams, Mr. Lawrence, of London, and Mr. Clements, Mr. Stewart, Professor Silliman, and myself.

Q. Who was Mr. Clements?—A. He was a young naval officer who ras a friend of Mr. Willyams and of Mr. Lawrence.

Q. Were you present during Mr. Brydges-Willyams's examination of he mine?—A. Yes, sir.

Q. How was that examination made?—A. In the usual way of exmining a mine, with drifts and shafts, and the amount of ore proiuced, &c.

Q. Was there a Captain Paschal at that time connected with the nine?—A. Yes, sir.

Q. How; what was his position?—A. He was a foreman, and was alled the "captain" of the mine. They sometimes call them captains, believe.

Q. Do you know whether he was a Welshman or a Cornishman?—A. understand that he was a Cornishman.

Q. Did he accompany Mr. Willyams in that examination?—A. Yes, ir; he was with him all the time he was in the mine.

Q. Did you learn whether Mr. Willyams had been previously acquainted with him?—A. I don't know whether there was any conversaion of that sort or not. I don't recollect it if there was.

Q. Was any attempt made, to your knowledge, to influence Mr. Willyams in any manner, in reference to this mine?—A. No, sir; there ras not.

Q. Did you have anything to do with making up his report, or Pro-

fessor Silliman's report, at that time?—A. No, sir; not the slightest. Mr. Lawrence and I were engaged in playing cards most of the time while Mr. Willyams was examining the mine.

Q. Was Mr. Lawrence an English author?—A. Yes, sir; Mr. George Lawrence, the English author.

Q. I wish you to state what, if anything, you had to do with making up or preparing, or what you had to do in any other manner, with any of Professor Silliman's reports upon that mine.—A. I did not have anything to do with it, sir.

Q. Not with any of his reports?—A. No, sir.

By Mr. HEWITT:

Q. When did you begin your mining experience; in what year?—A. In 1858 and 1859.

Q. Whereabouts?—A. In California.

Q. Upon what property—what place?—A. My first experience was in Mariposa County, California.

Q. What was your position there?—A. My experience commenced back as an ordinary miner.

Q. You commenced as an ordinary miner?—A. Yes, sir; with pick and shovel.

Q. What position did you fill in the Mariposa estate?—A. After I had been there perhaps some four years, I became a general agent of the owners of the Mariposa estate.

Q. Under whom; to whom did you report?—A. Sometimes to my brother; sometimes to Mr. Park. Mr. Park was the man really in charge of the property. My brother was an interested party in the property with General Frémont.

Q. And have you been, since that time, more or less in Mr. Park's employment?—A. No, sir; I have never been in his employment since then. Not since 1863, I think.

Q. That is, you remained there in Mariposa until 1863?—A. Yes, sir.

Q. Was that silver-mining or gold-mining?—A. Gold-mining.

Q. Is it in limestone or is it in quartz rock?—A. No, sir; it is in the country-rock—granite and slate.

Q. But there are quartz-veins in the granite and slate?—A. O, yes.

Q. There is no analogy between the mines of that State and those in the Little Cottonwood Cañon?—A. Not the slightest.

Q. When did you ever work in silver-mines?—A. I never worked in them; I have been interested in them, and have examined them—the Yellow Jacket, the Comstock lode, the Savage, and the Ophir.

Q. Those are not in limestone either, are they?—A. No, sir; there is more or less lime, but porphyry and granite compose the formation of the country-rock of that section.

Q. What experience have you ever had in silver-mines of limestone formation outside of Utah?—A. None, sir.

Q. When you saw Professor Blake at Salt Lake City did he consult you or show you the first letter he wrote—the letter of the 26th of July, as we call it here?—A. Yes, sir; I was in and out of his room, and although I don't know that every word of it was read to me, I know a very large portion of it was. I understood the purport of it from what he read to me.

Q. Did he talk to you at any time about that letter not being the full account of the mine, or of the development of the mine?—A. No, sir.

Q. You had no conversation about its being incomplete?—A. I don't recollect any conversation of that sort; I don't think there was any.

Q. And you are quite confident that he did not say to you that he was going to write a "second letter," or "further" about it?—A. No, sir; I don't think he made any such remark to me. I have no recollection of it.

Q. On the way out to Utah with Professor Silliman did you have any conversation with him on the subject of compensation?—A. No, sir.

Q. None at all?—A. It was not mentioned.

Q. Did you ever discuss the subject of compensation with him prior to going to New Haven to make the settlement?—A. No, sir; never.

Q. Who paid the expenses of the trip out to Salt Lake?—A. I suppose General Baxter did. I do not know whether anybody else paid him or not.

Q. I mean who was the cashier on the occasion?—A. I was; I paid everything.

Q. Did you get any of it back from Professor Silliman?—A. No, sir.

Q. Whom did you get it back from?—A. General Baxter paid it.

Q. On the second trip with Mr. Willyams, Mr. Silliman, and Mr. Lawrence, who was the cashier then?—A. I was.

Q. Where did you get the money from?—A. From General Baxter.

Q. From General Baxter again?—A. Yes.

Q. When you came to make a settlement with Professor Silliman did he demand more than $25,000 from you?—A. No, sir.

Q. Did you tell him how much you had received?—A. No, sir; I did not say anything to him about that.

Q. Then he did not know that $25,000 was the half?—A. Well, yes; I think he knew. I am not certain whether I told him or not; I think, however, that I did, though I would not like to swear to it. I think I used the term "one-half."

Q. Was that settlement made prior to or subsequent to the second trip?—A. It was made, I think, before the second trip, but that involved his going out again in case his services were required.

Q. Did you make that stipulation with him?—A. Yes, sir.

Q. Had you any knowledge then that anybody was going out to make a second trip?—A. No, sir.

Q. Had you had any communication from Mr. Park that anybody might be expected to come out?—A. No, sir.

Q. Or from General Baxter?—A. No, sir.

Q. Why did you make that reservation, then?—A. I did not know but that it would be necessary. It was a proviso that I could as well put in as not, and did so on general business principles.

Q. Foresight?—A. Well, I thought if it was necessary to make another trip, it would be a proper thing to include it in the amount paid, if it could be done. I do not think it required any very large amount of sagacity to think of that.

Q. Between your first visit with Professor Silliman and this visit you say they had run drifts and levels, probably some shafts, and, in all cases, they had been running the ore?—A. Yes.

Q. Had they been driven to the walls in any case?—A. In some cases they had run the thing through barren rock, and they had been following what they call seams—indications or stains; sometimes they would go perhaps a distance of quite a number of feet following a stain that would be perhaps two inches in width, may be not so wide in some places, and in some wider, and it would open into a body of ore.

Q. But the object seemed to have been to develop the mine with reference to finding out how much ore there was?—A. That is generally what people develop mines for, I suppose.

Q. But I mean it was not for the purpose of taking out ore to any great extent; they had been simply for some time running levels and drifts to develop ore?—A. They had been opening up the mine and getting their reserves in shape.

Q. But they had not been mining ore except so far as driving in those drifts required them to take out ore?—A. What they had been producing, I know nothing about.

Q. In looking at the mine did it strike you whether they were working it with reference to the *product*, or developing it with reference to the *future* only?—A. You might look at it both ways. They had plenty of ore in sight, and plenty of good miners there, and they thought, I suppose, (that is the way I should look at it,) that it was a good time to develop the mine and work drifts.

Q. They might be doing either of two things, running drifts, or, when they got into a chamber, or body of ore, have devoted their labors to getting out the contents of ore. I ask you which they were doing, whether they were running the drifts or getting out the contents?—A. There was a large amount of ore standing that could be taken out at any time.

Q. But it was not taken out; it was left standing?—A. It was not taken out.

Q. Did you operate in this stock—buy and sell it?—A. Yes, sir.

Q. At what time?—A. In May, June, July, and August; I do not know whether I did anything in September or not. The year was 1872.

Q. Where did you make your operations?—A. In London.

Q. Were you there?—A. Yes, sir.

Q. Did you go to London?—A. Yes, sir.

Q. With whom did you consult; did you consult with Mr. Park, or had he gone home?—A. He did not leave until I had got there.

Q. Did you consult with him as to operations in the stock?—A. Sometimes. I do not know that in my first operation I did so. I went into it without any knowledge of his, I guess; I do not think he knew anything about it.

Q. In what month did you make your first operation?—A. In May.

Q. Did you buy or sell?—A. I bought.

Q. Do you remember the price?—A. It was about £30 a share; above thirty.

Q. Were you an operator for a rise or for a fall, as a rule?—A. Well, I did not make any money on the short side of the stock.

Q. But did you operate for a fall at times?—A. I sold the stock short on two occasions. I know I lost £1,500 on the short side of the stock, and that is the only short transaction that I had, I think. It was two different transactions, perhaps; I would not be sure.

Q. Was that after Mr. Park left London?—A. No, sir.

Q. Did he know of those operations?—A. I do not think he did; I didn't tell him of it.

Q. Did you consult with him after you had made them?—A. No, sir.

Q. You didn't ever tell him that you made the loss?—A. No. I will tell you why I made the loss. I had an inkling of a raid that was to be made on the stock by a circular that was to be issued by Hiram A. Johnson and Lyon—a cooked-up thing. I supposed that it would frighten the shareholders and that shares would go down £2 or £3 each. I have no particular scruples that should keep me from taking advantage of the stock-market, if I could do so, and if I think things are going my way; but it didn't happen to come out my way that time.

Q. After you had burnt your fingers in that way did you try it igain?—A. Yes.

Q. I want to arrive at whether at any time you did consult with Mr. Park before he left, as to your operations in the stock.—A. Yes, I did.

Q. Did he give you any advice?—A. Yes.

Q. What advice did he give you?—A. He told me he thought the hares were going up a great deal higher.

Q. Did you operate with that advice?—A. Yes.

Q. And did they go up?—A. Yes.

Q. And you made money?—A. I did, sir.

Q. Did you come in contact with General Schenck during your visit o London?—A. Yes; I met him on a number of occasions.

Q. Did you talk with him about the Emma stock?—A. Not particularly. I think every time we met there was something said about the hares. He would ask me the price, or something of that kind.

Q. Did you make any operations for him?—A. No, sir.

Q. He had no interest in any of your operations?—A. None.

Q. When did you return from London?—A. I returned in September—the September following.

Q. Had you any information at that time as to the mine not working o well as it had been formerly?—A. I had information to that effect before I left London. I received information regarding the cave in June, (I think it was in June,) but even then I did not sell any stock short.

Q. I suppose you had a distinct remembrance of your former experience?—A. Well, the capital stock was a little small to do much that way with. I have been cornered before on stock, and it is not a pleasant thing.

Q. When did you receive the notification as to the bad appearance of he mine, or anything in reference to the mine?—A. I think it was about the 10th of June.

Q. Did you operate in stock after that?—A. Yes.

Q. For a rise?—A. Yes.

Q. Not for a fall?—A. No, sir.

Q. What was your latest intelligence from the mine before you left—hat it was looking well or ill?—A. The reports were very conflicting, and it was very difficult to get anything that could be called reliable. I depended for my information upon a gentleman, (a friend of mine,) a man also interested with me in other mines in Utah, by the name of Bates, who used to gather what information he could regarding the character and look of the mine, and advise me, and he was the man that telegraphed me that the mine had caved. It was upon him that I relied, and when the company got into trouble with the Illinois Tunnel Company, and orders were issued to allow nobody to go into the mine, I made up my mind it would be well for me to quit, as I would be moving in the dark, and I did not operate any more.

Q. Did you leave London because you were satisfied it was not good to operate in Emma stock, or were you going home anyhow?—A. I was going home anyhow; I had other business to call me home.

By Mr. PACKER:

Q. Did you ever learn anything about the extent of that cave?—A. Nothing, but what was stated in the telegram. I think it read, "Cave in Emma; mine flooded; serious." I think that was the wording of the telegram.

Q. Can you remember the date?—A. I think about the 10th of June.

It was somewhere between the 5th and 10th; not later than the 10th nor earlier than the 5th, but I would not swear to the date.

Q. Did you have any letters or telegrams from Mr. Park?—A. No, sir.

Q. This came from Mr. Bates, the telegram that you received?—A. Yes.

Q. I suppose you know that in that time in London, between the 5th and 10th, it was alleged that this thing had happened, but the company denied it; in fact, Mr. Park has testified that he telegraphed back that there was no foundation for this report; did you communicate the intelligence you had to anybody?—A. Yes.

Q. To whom?—A. I told it to Mr. Willyams, and Mr. Anderson, who was then chairman of the board.

Q. Did you tell General Schenck?—A. I am not sure, but I think I did. I am not positive, however.

Q. Do you know of anybody that did sell the stock short at that time?—A. I can't swear positively, but it was told to me that Lyon had sold largely short. I can't swear to it because I did not see it, and did not see his accounts, and cannot tell whether he was short or not. I think he told me that he was short, but that would have been poor evidence.

Q. Did he say how much he had sold short?—A. No, sir; he did not say how much. He was constantly receiving telegrams from a man by the name of Almy, and a man by the name of Dalton, I think that was the name, and on a number of occasions he showed me some of those telegrams.

By Mr. HEWITT:

Q. Do you know whether any of the directors sold stock short at that time?—A. No, sir, I do not.

Q. And you do not know whether General Schenck had any operations in stock at that time?—A. No, sir.

By Mr. CHITTENDEN:

Q. Previously to your leaving England in 1872, had you received any information from any source to the effect that the mine itself was weakening or giving out?—A. No, sir. The news that I received regarding the misfortune to the mine was, as I interpreted it, that the sweeping of the snow in the side of the mountain had made the ground very heavy. Where the ore had been taken out the top fell in and the mine was flooded.

By Mr. PHELPS:

Q. That was the first time?—A. Yes; it is the only information I had received regarding any misfortune to the mine.

By Mr. PACKER:

Q. Did it crush the propping, or had it been propped at all?—A. It was not properly secured—the timbers were too light. They have immense snows there in the winter. I have been there when the snow was 30 feet deep over the Emma Mine, and in the spring when it thaws out the ground absorbs it, and it makes the ground very heavy, so that where the earth had been taken out and timbers were put in that were not strong enough, the extra weight crushed them in.

Q. And the cave was the result of the crush?—A. Yes, and it let the water in from the top of the mine. The mine was not flooded from the water at the bottom. The water that flooded the mine came from the surface.

WASHINGTON, D. C., *April* 21, 1876.

LUKE P. POLAND sworn and examined.

By Mr. CHITTENDEN

Question. State what you know about procuring from the Land-Office the patent for the Emma Mine.—Answer. I was employed by Mr. Park to come to Washington and get a patent from the Land-Office, some time in the latter part of August, 1871. There was a suit pending in Utah in favor of Mr. Lyon, against persons from whom Messrs. Park and Baxter purchased the mine, and that suit was expected to be tried, or it stood for trial, I think, in July, 1871. I was here in Washington all the spring, and the early part of that summer, on a congressional committee. Mr. Park desired Mr. Phelps and myself, who had been his counsel in other matters, to go to Utah and try that case; but it was very difficult for me to leave here; and, for reasons that I will state, I did not believe that the case would be tried. There had been a very vigorous effort made to get some of the judges removed, which effort had been unsuccessful, and reasoning naturally, I supposed that Mr. Lyon's counsel, if they could avoid it, would not go to trial before judges whom they had been attempting to get removed. That induced me to think that there probably would not be any trial, and finally there was an agreement that Mr. Park and Mr. Phelps were to go to Utah, and if they found that the case was going to be tried to telegraph me, and I was to go out. The next information that I got was that the parties had agreed upon a reference of the case to Judge Curtis. I had got through with my committee work in Washington, and had gone home and taken my wife to Saratoga.

At Saratoga I got a telegram from Mr. Park asking me to come to New York. I went on a Saturday, intending to return to Saratoga on the following Monday morning. When I got to New York I learned for the first time that the matter had been settled, or that there had been an agreement for settlement, and what Mr. Park desired of me was to come to Washington and get the patent. I started from New York with Mr. Stewart and Mr. Hillyer, both counsel for Mr. Lyon. It was expected that the papers from the land-office in Utah would reach Washington about the same time that we did, but they had not come, and did not arrive until, I think, the Wednesday morning afterward, when we went to the Land-Office. Then Mr. Stewart and Mr. Hillyer withdrew the opposition or protest filed against the patent. The application for the patent had been filed by the persons from whom Park and Baxter purchased, a very considerable time before, and the only protest that was filed was by Mr. Lyon. That protest was withdrawn. The Commissioner of the Land-Office examined the papers and said that everything was regular for the issue of a patent. I remained here until the papers were prepared, took the patent, and carried it to Mr. Park in New York. That was in the latter part of August, 1871.

Q. It has been suggested that money was paid, or some influence used in some manner in connection with obtaining that patent. What knowledge have you on that subject?—A. As I said before, we went to the Land-Office on Wednesday morning, our papers having come from Utah that morning, and the Commissioner examined them and decided that everything was regular for the issue of a patent, and he gave them to a clerk who had the charge of preparing the papers. I inquired of the clerk how much time it would take him to prepare them, and he thought he could not get them ready under a week. The papers were quite co-

luminous. There were maps to be made, and it was a good deal of a job. I had left my wife in Saratoga with the expectation of only being gone one day, and I was in very great haste to get back. I insisted that I could not stay in Washington for a week, and I urged that all speed be made in preparing the papers, and that the clerk work extra hours and work at nights, and get additional help, if necessary, and that I would pay any expense that was absolutely necessary in the way of extra work. The clerk agreed to do it. I said to him that if he did it it would be perfectly right that I should pay him for working extra hours and for extra help; but he said that he would not be at liberty to take any extra pay. The result was, that he got the papers through and brought them to me on Friday afternoon. I had told him that I could not remain beyond Friday night, as I wanted to get to Saratoga by Sunday. When he brought the papers to me, he talked a little about how much extra labor had been required, and how he had to work at nights, and it rather struck me that this was an invitation to renew my offer of the pay for extra services, and finally I told him that I would be very glad to pay for the extra work, and, as I thought he seemed rather willing to take it, I paid him $25.

Q. Have you any knowledge of any other payment than that in relation to that patent?—A. I have not. I paid no more.

Q. Were you Mr. Park's only representative here in regard to the matter?—A. So far as I know, I was. Mr. Park was not here himself.

Q. Did you examine to ascertain whether, as the law then stood, the time for filing protests against that patent had or had not expired?—A. I am not very familiar with the law; but as I understood it, the time had long expired for filing objections, and none had been filed except this one by Mr. Lyon, and that was withdrawn by Messrs. Stewart and Hillyer, who represented him.

Q. Did you, in any manner, represent Mr. Lyon's side of the case?—A. Not at all.

Q. Did you go out to Utah in the following summer, 1872?—A. I did.

Q. State for what purpose.—A. When Congress adjourned in 1872, my impression is that I left here and reached New York about the middle of June. There I found Mr. Park and Stewart and quite a number of gentlemen connected with the Emma Mine, among them Colonel Stanley, from England. They were in great distress about the Emma Mine, inasmuch as another mining company, the Illinois Tunnel Company, I think, had run a tunnel directly into the rear end of the works of the Emma Mine. When the snows went off in the spring, there was a vertical shaft where they had originally entered the mine, into which the water got, and all the entrance-end of the mine caved in, and it was impossible for them to get into their mine. The Illinois Tunnel Company had run a tunnel into the rear end of the Emma Mine, and, as they said, were taking out the ore, and they were in great debate as to what means should be resorted to to stop it; whether they should go out there and undertake to dispossess them by force, or whether they should apply to the courts and undertake to get an injunction. They wanted my advice. I listened to all that they had to say, and I advised them to try the courts first—that their legal remedy was in the courts. After some consultation among themselves they decided to take my advice—with one addition, which was that I should go out there and attend to the business, which was very much against my will, but finally I consented. I told Mr. Park that I must first go home with my wife and get her established, and I did so. I left home on the morning of the 26th of June for Utah. At Albany I met Mr. Park

and Mr. Stewart and Colonel Stanley, and some others, and went to Utah with them. When we got there, we brought a suit for trespass against these people, and then brought a bill in chancery applying for an injunction. We took quite a number of affidavits, and they took affidavits on the other side, and we had a partial hearing before Judge McKean. It was finally decided to take time to go and visit the mine, and that the judge and counsel on each side should go. There were some mining experts, two on each side, I think, selected, and all made quite a number. We went to the mine, which was some twenty-five or thirty miles from Salt Lake City, and we staid there over night. In the mean time they had so far excavated this entrance and had dug through and shored up with timbers, that by crawling on our hands and knees we could get into the mine. Judge McKean and all the rest of us went through the mine. The lower levels of the mine were then flooded with water, but all the upper part of it we could go through. We went through and examined everything that there was to be seen about the mine, and in the end we went through the Illinois tunnel and came out the other way.

Q. Was the application for the injunction afterward granted?—A. Yes; we had then a trial which lasted two or three days before Judge McKean, and he granted the injunction.

Q. Was there any suggestion that you heard by any of that party who went through the mine that the mine itself showed signs of weakening or exhaustion or giving out?—A. I remember nothing of that sort. I knew nothing about a mine. That was the only one I was ever in, and I could not tell ore from rock; but quite a thorough examination was made. The principal question of fact that was litigated was this: The place where the Illinois Tunnel Company had run into the Emma Mine and were taking out the ore was decidedly outside the limits of the mine, that is, with vertical lines from the surface survey, and we claimed that by the true construction of the meaning of the law, if we struck a vein within our vertical lines we had a right to follow it outside. It was insisted that that part of the mine where the Illinois Tunnel Company were, was disconnected by any ore connection with the mine, which was then the vertical limits, and that they could cut through some 30 or 40 feet of solid rock, and really had struck another mine. For the purpose of testing that, the arrangement was made to have for that distance (where they claimed it was not ore) once in two feet marked off and portions of the earth taken out and assayed for the purpose of determining whether it was rock or ore for the whole distance. That was done, and an assay made of all the various specimens thus obtained.

By Mr. PACKER:

Q. To establish the continuity of the vein?—A. Yes, sir; and each one of those specimens proved to be tolerable ore.

By Mr. CHITTENDEN:

Q. Did you, at any time, examine the legal question on the statutes as they then stood, as to whether the surface limits of the patent (carried down vertically) were the necessary limits of the vein?—A. We had a good deal of debate about it, and my idea of the law, from my examination of it, was that if you struck the vein going down vertically, then you had a right to follow that vein in all its angles, dips, and variations. I believe that is the language of the statute.

Mr. PHELPS. Spurs and sinuosities.

The WITNESS referred to the statute of 1866, from which the following is a quotation: "To enter such tract and receive a patent therefor,

granting such mine, together with the right to follow such vein or lode with its dips, angles, and variations, to any depth, although it may enter the land adjoining, which land adjoining shall be sold subject to that condition."

Q. Do you recollect whether on that trial decisions of the courts in California were cited favoring the construction which you thus claimed?—A. Yes; but I did not myself think that the language of the statute admitted of more than one construction. The language of the statute is perfectly plain, and, as I thought, did not need any decision of any court in that respect. That was the view of the statute which we maintained, and that was the view which was sustained by the court, and I do not doubt that that was the correct construction of it.

WASHINGTON, D. C., *April* 21, 1876.

J. E. CLAYTON recalled.

Mr. CHITTENDEN. I have asked you to prepare a vertical cross-section of the Emma hill, showing the ore-bearing zone which you described and the slip, and their relation to the Bay City tunnel; have you done so?

The WITNESS. Yes; this [exhibiting and explaining a map] is the section through the hill from southwest to northeast across the summit. The course of the zone is nearly northwest and southeast, dipping to the northeast at about 45°. Hence, a vertical cross-section would be from southwest to northeast, showing the stratifications of the country-rock and the position of the zone in which the ore occurs, between a dark limestone overlying and a white limestone underlying the vein or lode. Of course the distance of the slip is an approximation, but it is very near to the facts. This map also shows the position of the Bay City tunnel, starting in at the foot of the bench and running in some fifteen or sixteen hundred feet until it cuts the zone of ore, at least it is so reported. The downthrow of the country-rock on the north of the slip carrying the lode down nearly vertically would cause the cutting or intersection of this portion of the lode north of the slip nearly 100 feet sooner than if the lode had continued its dip without any break, perhaps 100 feet farther northeast. I understood that the angle of measurement expected to cut the lode at about 1,600 feet, or perhaps more, and I have since heard that it was cut at a shorter distance. That nearly vertical downthrow would show the reason why it was cut at a shorter distance than the dip of the lode above would show. This general formation of the country-rock in the body of the mountain dip is flatter as it gets to the northeast and north of the summit of the range. It turns quite flat for a long distance, and very little ore appears in those benches or flat table, but the ore-beds are very numerous in all this portion of the mountain, up past the summit to about the point where it makes the flattish curve near a mile from the croppings of the Emma; it is dotted over like with gash-veins coming up through. That is one reason why I had confidence in the continuity of the ore until it reached this flat portion of the deposit, because where it was not turned up at an angle, caused by the igneous rocks below, the elimination of the mineral would follow that line of curvature on an inclination upwards, and the fact that small shoots of ore were coming up through the body of the mountain nearly a mile to the north would indicate that the action was deep-seated and wide-spread also.

By Mr. PACKER:

Q. Does the dip of the country-rock change at the point that is cut by the Emma workings, as represented in this map?—A. The stratification has been cut in two obliquely, or it goes down at an angle of about 45°, and sets in again on the other side at about the same angle.

Q. Would that, or not, indicate that it was the same vein that was found above?—A. Unquestionably; and another means of identification is the character of the country-rock, or shaly limestone, which immediately overlies the ore-bed. That is a geological identification.

Q. That is not to be found in the other portions of the formation?—A. No, sir; it is not found anywhere below.

By Mr. CHITTENDEN:

Q. I also requested you to make a profile section of the Emma hill, on the line of this ore-bearing body, showing its relation also to the Bay City tunnel; have you done so?—A. Yes. (Exhibiting the map.)

Q. Give such explanation of it as is necessary to make the map intelligible.—A. At the extreme southeast of this sketch (at the right-hand end) is marked a ravine called Grizzly Gulch, which is a branch of the Little Cottonwood Cañon, which intersects at the town of Alta, about opposite the Emma Mine. The general course of the zone is about north fifty-five west from it. The lower part of the bench near this ravine is covered with bowlders and drift, appearing to be a glacial deposit. They are large bowlders that have been transported for a mile or more from the upper head of the cañon and are piled along the side of the ravine in a bunch. Hence all this portion of it is covered to the ravine. I do not know what is under that. The rock is very much disturbed in the opposite hill, and granite appears. The Emma Mine is the first in importance that has been developed. Mr. Atwood's longitudinal section of the bonanza, showing the working of the Emma Mine, is in a reverse position to this map and seems to have been taken from up hill, looking downward. My section is taken the reverse way. These two maps that I have prepared cross each other at an angle lying to the northwest of the vertical cross-section, and lying to the northeast of the longitudinal section. The position of the surface of those different mines on the same line, including the Flagstaff and over the summit to the Reed & Benson Mine, is taken from Froiseth's map of the Little Cottonwood Cañon. The underground workings of those mines I am not acquainted with. I have been in the North Star and the Monitor, and in the Illinois tunnel immediately west. The first mine northwest of the Emma, the Vallejo, I have not been in, except at a point of connection between the South Star and the Vallejo, underground. I was, perhaps, up to the point of connection between these two claims. The South Star and the Titus are worked from a single shaft. There is a division-shaft between the two claims, one branch going one way and the other branch going the other way. They started in on a very small pipe of ore, which enlarged and spread out both ways in the reverse order of the Emma. It spread out, and they worked in here to the north toward the Flagstaff until there became a dispute as to their being on each other's ground. The Flagstaff also had an apparently small lenticular vein at the top, longitudinally, lying conformably to the dip of the country. That widened out till, at the distance of 300 feet down, perhaps it may have been 400 feet in length along the line of the vein. At one point they ran it down until, apparently, it came to a feather edge and broke up into a series of pipes and chimneys, which worked out irregularly in the brecciated

zone, and they continued explorations down until now they are down 1,000 feet, and connection has been made between them and the Titus and South Star at two or three levels, the Flagstaff keeping below them all the time. The ore-bearing ground spread out here to a great length, seven or eight hundred feet. It is not all ore, but it is very productive ground. They have taken out of the Flagstaff, perhaps, thirty-five or forty thousand tons of ore. The Vallejo has shipped large amounts of ore, and so have the South Star and Titus; how much, I am not able to say. After passing the Flagstaff and going obliquely through the face of the mountain to the northwest, there is no development of any consequence. There are some few small openings made, showing little patches of ore. When you pass the summit, there is a group of claims over there where some good ore-beds were exposed. That is three-quarters of a mile on a horizontal line, perhaps, from the Reed & Benson Mine. Mr. Goodspeed, who is the principal manager and owner of that mine, and who has worked it for years, told me a few days before I left that they were down 1,000 feet, vertically. They had some large blocks of ore, weighing several hundred pounds, which were brought up to Salt Lake for the purpose of being sent to the Centennial Exhibition. These will give from 250 to 400 ounces per ton. The ores in the Reed & Benson group have been equally as rich on the average as the Emma ore. The Flagstaff has not been so rich. The Flagstaff ore contains more iron and a smaller proportion of lead, and perhaps averages from 40 to 50 ounces of silver. The Vallejo runs all the way from 40 ounces up to 100 ounces. The North Star had some rich ore in small patches, and also large masses of ferruginous ore, which was of low grade. But some kidney-shaped masses occurred weighing several thousand ounces to the ton, so that the alternations in the character of the ore and in the deposits of the ore there have been in that irregular way. These lines of shading in the map are simply to indicate the portion of the ore-bearing grounds, but it is not all ore in those spaces. They have taken out large quantities of ore in the Flagstaff, in the ground which the English expert, Mr. Widdifield, when he examined it a year ago, said that if he was asked to go and get 100 tons of ore, he would not know where to go for them. At the same time, the Flagstaff was shipping constantly at the rate of 40 tons a day, keeping their explorations all the time ahead.

Q. Is it your opinion that these different mines, commencing with the Reed & Benson, on the opposite side of the summit, then going on to the Flagstaff and Titus, the South Star, the Vallejo, the Monitor, the Magnet, the North Star, and finally the Emma, are on the same vein or zone?—A. They are certainly on the same geological zone, carrying the same general characteristics of the brecciated body or zone all the way through. It would not be so apparent to a novice as it would be to a geologist or mineralogist. Any person who is familiar with the structure of rocks and knows the difference in the crystallization of rocks would detect it at once. When the snow is off the ground you can see, standing down near the Emma Mine, the difference in color in the rocks on the line of it to the summit, and going over the summit you find the Reed & Benson Mine. There is no question but that it is geologically and actually on the same zone or metal-bearing strata.

Q. What is the proper definition of the term "lode"?—A. A lode, as it was originally used, does not necessarily mean a true fissure-vein. A lode is that zone or vein of rock different from the rock above or below which carries the ore. It is an ore-bearing body, and it may be a stratum of different character from the rock above or below—some call them contact-zones—or it may be an ore-channel running through rock of

milar character on both sides, but having no definite boundaries. For ractical purposes, both in mining engineering and in the adjustment f legal rights, metal-bearing zones are treated as a lode or vein.

By Mr. PACKER:

Q. The miners use it as synonymous with lead?—A. Well; the word lead" was originally applied to gravel-deposits in placer-diggings where old was found. They called it a "pay-lead," and it was afterward applied y miners frequently to a vein.

By Mr. BARNUM:

Q. Is it applied also to a pocket?—A. Yes, if it is a single pocket; ut if it is a series of pockets then it is a lode. In California, in 1853, discovered what I considered then a very important fact in mining ngineering, and that was that a true fissure-vein having the lines of ovement marked on the walls, striæ, scratches, grooves, &c., showed he operation of some mechanical movement. I found that the ore-deosits were invariably on the same line; that is, that that line of moveent and the line of deposit were parallel. That enabled me, when findg a rich pocket of gold-quartz near the surface, to strip off the wall and scertain the direction of the movement, and then, by drifting on that ne, instead of at right angles to the course, I would strike a series of ockets, and I found that the rule was just as good for pocket-mines as r chimneys or ore-shoots. Where the chimneys shoot off below, you et a line of pockets just like a string of beads, and these patches on the alls were the string that led from one pocket to the other.

By Mr. CHITTENDEN:

Q. Are these maps of yours drawn to a scale?—A. Yes; they are n the scale of 200 feet to the inch.

Q. Is the vertical scale the same as the horizontal?—A. Yes; of ourse they are not exact, but they are close approximations from the est data I had at the time.

Q. I want to make your former testimony plain. Do I understand ou to say that the granite underlies in Utah this general limestone rmation?—A. Yes; at some depth, but not always immediately undering it. The granite at the Emma Mine going square across the lines the bedding would be perhaps 3,000 feet below, or a little more.

Q. I want your opinion, as a geologist, as to where the source of this lver-ore lies?—A. That is a very hard question to determine. It is rely theoretical and speculative. If we take the nebular hypothesis true, the precious metals and all those classes of metals that are intiately associated with sulphur and antimony and chlorine and the volale gases, should belong in the outer crust of the globe, and not in the olten mass of the interior. I take it as a logical conclusion, if the ebular hypothesis is true, that the minerals must have condensed in e order of their temperatures of condensation, and as gold would not ay in molten granite, (the heat would be so great,) I conclude that gold d silver could not condense on such a body, and that they may have mbined with the acid gases in the atmosphere and were collected by e watery vapors and brought down as soon as the surface of the rth had sufficiently cooled to allow water to touch the surface of e globe. Then the water would evaporate, leaving the igneous mpounds in the outer crust. Hence, granite and all classes of neous rocks, except recent eruptions, are metal-bearing in places. he objection to that theory would be that we find large districts of the der rocks, or plutonic rocks, almost entirely barren of precious metals,

and then we find other small districts that are very rich in precio als. I account for that (assuming the nebular hypothesis to b by supposing that the shallow basins and small elevations of th geological times caused the waters to rush down to these basi great rapidity, bringing down disintegrated material, quartzo schistose. The heat of the crust evaporating the waters woul the mineral accumulated in these basins just as salt is accum now in Salt Lake by the waters evaporating and constantly th down small portions. Afterward, when geological disturbances o which folded the crust together, we would have those zones or of country-rock which were rich in metals, whereas rocks of th geological age and of the same line would be barren.

By Mr. BARNUM:

Q. You spoke of standing at the foot of the hill and looking seeing the different colors of rock.—A. Yes; you can see that th stone on the right hand, or upper side, is darker than the limes the left hand, the lower side.

Q. Is there much earth on this hill-side?—A. Only in places bare most of the way.

By Mr. CHITTENDEN:

Q. Have you laid down on this map the Atwood winze, as it is t —A. Yes.

Q. Why does not the map which you have prepared, showi workings of the Emma Mine, compare with the workings as sh the plan of the Bay City tunnel?—A. For two reasons: The that the position of view of the work is reversed. The Atwood is not marked on the sectional map of the Bay City tunnel.

The accompanying maps were prepared and exhibited by the w and also the map of the Bay City tunnel.

WASHINGTON, D. C., *April* 21,

Examination of T. W. PARK continued.

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The WITNESS. Here is the map.

Mr. Chittenden asked to have the map inserted in the procee

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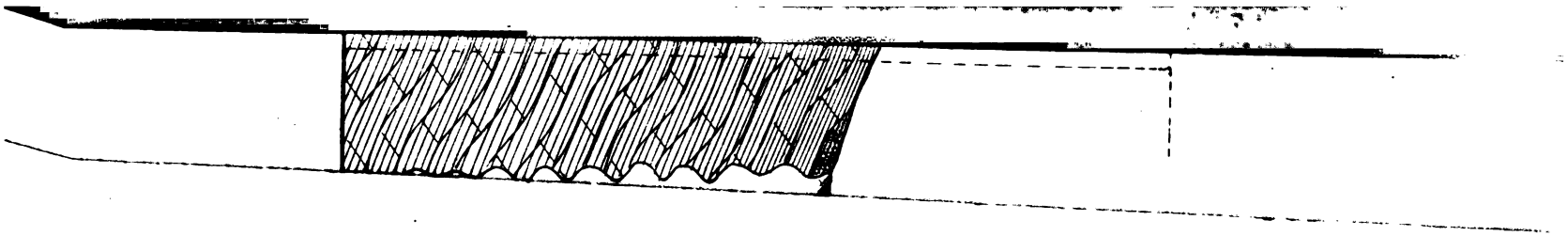
Mr. Chittenden stated that Mr. Park paid the expense of the

By Mr. PHELPS:

Q. Have you prepared, or caused to be prepared, a statement, required yesterday, showing the settlement made by you with Mr art?—A. No, sir. Mr. Stewart prepared a statement, (producing i I have examined it. It is not a statement of the settlement, beca settlement was a jumping settlement, but it is a statement of the pa made to him by me, and it is substantially correct. I do not kn that it is accurately correct. There is one item of $15,000 in it w was under the impression ought to be $10,000. I did not suppo this matter of payments to Mr. Stewart would figure in this inv tion, and I did not come prepared to make any statement of after talking the matter over with Mr. Stewart and calling to mi



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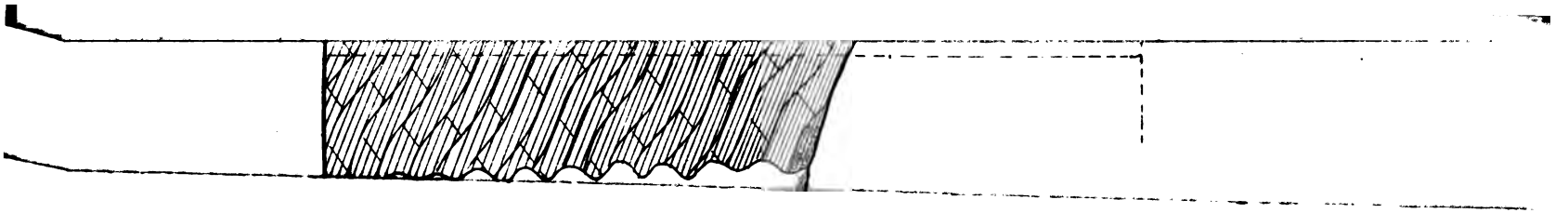

at I could in relation to it, I think this statement is substantially rrect.

Q. What does that statement show the total amount paid to Mr. ewart to be?—A. $200,000 to Mr. Lyon and $275,000 to Mr. Stewart d Mr. Hillyer.

Q. Mr. Blake stated in his evidence that on the occasion when you and were at Salt Lake together in 1871, he intimated to you some unfarable opinion or impression in regard to the Emma Mine; what do you r in regard to that?—A. He never did, unless it was an unfavorable nion to say that we should run new drifts and shafts into the orely for the purpose of determining its extent. He did recommend t, but he spoke very highly of the mine, as did every other expert o visited it.

Q. Did he, or any other man in Utah, express, in your presence or to ur knowledge, any apprehension or opinion that the mine was likely weaken or become exhausted?—A. From the time I first heard of Emma Mine up to 1873, I never heard a man, expert, miner, or layn, who had visited the Emma Mine, give an unfavorable opinion of it. the contrary, the directors in London themselves said that from every rce from which they obtained information, by letters from Utah and people who had visited the mine, the report in every instance was orable.

By Mr. SPRINGER:

Q. Have you made a statement in regard to the amount which you alized individually on the sale of this mine?—A. No, sir.

Q. Will you state to the committee what you have realized from the le of the Emma Mine?—A. That question was asked me before, and e committee waived it as being a matter of my own private business ich the committee did not deem it necessary to inquire into. It ust be understood that we have some litigation in regard to this and id not suppose that this investigating committee was for the purpose developing facts that would not affect the results of its investigation, might be used in a court of justice between the parties. The comtee passed upon that question and waived it.

Mr. Forney suggested that the question should be reserved until a committee was present.

That suggestion was acceded to, and Mr. Springer put the question this form: What amount of money did you realize from the sale the Emma Mine in London to the Emma Silver Mining Company ited) of London, and what amount did you bring with you, or cause e brought, to this country. He stated that he was going to supplement this question by the further question as to what the witness had lized from speculation in the stock of the Emma Mining Company in don.

The WITNESS. I have no objection to answering that last question.

Mr. SPRINGER. State the amount realized by you from your stockculations in the Emma Mine in London from the 1st of October, 71, to the present time.

A. I wish to say, in the first place, that I never bought or sold a share stock in the Emma Mining Company on any information which I ssessed that was not known to the public; not only to the directors, t to the public. At the time I left London I never had speculated in e shares at all, except to purchase and hold. I left London on the 11th May, 1872, about seven months after the sale, and when I left Lon- n I left my shares with Mr. Gager, with authority to buy the stock en it was low and to sell it when it was high, on his own judgment

Q. Do you refer to the stock which you received in part payment for the mine, or simply to stock that you were selling short or long?—A. I never made a sale of stock short, either myself or through my agent. Every sale that was made was of stock on hand, which I owned. I ordered stock, as I have testified, by cable, to be purchased in July, 1872, and in October, 1872. On the purchase and sale of stock, under these orders, and on the purchase and sale of stock by Mr. Gager, my agent, without any special order, the profits were about £16,700, as stated to me by Mr. Gager, who kept the account. That was all the profit I ever made in the purchase and sale of Emma stock, and all those purchases and sales, as I said before, were made on information which the public, as well as the directors of the Emma Silver Mining Company, (limited,) were in possession of.

Q. What proportion of those profits belonged to General Schenck, according to your understanding?—A. According to my understanding, he would have been entitled to one-half of them.

Mr. HEWITT. In reality he got £1,894.

The WITNESS. Yes; and he refused to take any more. That was on the single transaction of 2,035 shares that were ordered by me to be purchased in July, 1872.

Mr. SPRINGER. These transactions embraced no part of the stock certificates received by you as part of the purchase-money from the sale of the mine?

The WITNESS. No, sir; these were subsequent purchases and sales.

By Mr. FORNEY:

Q. When was the last of your original stock sold?—A. On the 9th of October, 1872. I had a portion of that original stock when I left London, and that was the last of it that was sold, as testified to by Mr. Gager.

Q. After the sale of the last of your original stock, did you order the purchase of any more stock?—A. Yes; in the last of October, and this stock was closed out in the month of November. That is the last transaction I had in the shares.

Q. Do you know whether Mr. Brydges-Willyams sold all his stock?—A. I do not think he has sold it yet.

Q. Do you know whether Mr. Anderson has sold all his stock?—A. I do not think he has, and I do not think that any of them sold their stock. They had not at the time of the collapse in the shares. Both Mr. Brydges-Willyams and Mr. Anderson are very large losers.

By Mr. SPRINGER:

Q. You say that you bought more stock in October outside of the original certificates. Did you order Mr. Gager to do so?—A. Yes.

Q. Where were you at that time?—A. In Utah.

Q. How many shares did you order purchased?—A. I ordered him to buy 2,000 shares, but he only filled the order to the extent of 1,150 shares.

Q. How much did he pay for them?—A. About £23 a share; that was in the latter part of October.

By Mr. BARNUM:

Q. In this statement of the payments by you to Mr. Stewart is an item of $100,000 for bonds.—A. Yes.

Q. Does that mean the cash advanced for those bonds, or does it mean the face-value of the bonds?—A. It means the cash advanced for them. The face-value of the bonds is $125,000. They were $75,000 of

ıe Utah Central Railroad and $50,000 of the Canada Southern Rail-
ad.

The following is the statement presented by the witness of the pay-
ents made to Mr. Stewart:

ayments made by Mr. Park in respect of the Lyon claim and of the services of Messrs. Stewart and Hillyer, rendered for the Emma Company, of London, and Mr. Park.

ecember, 1871, paid Lyon for original purchase of his claim	$150,000	
ay, 1872, paid Lyon on his further demand	50,000	
		$200,000
ıne, 1872, paid Hillyer		55,000
ıne, 1872, paid Stewart before Park's return in 1872	30,000	
ıly, 1872, paid Stewart at Salt Lake	15,000	
ıly, 1872, paid Mrs. Stewart in Europe before Park's return	25,000	
ıly, 1872, paid cash investments in bonds	100,000	
ıly, 1872, paid Seligman & Co., for Stewart	50,000	
		220,000
Total		475,000

Mr. Springer gave notice that at the next meeting of the committee
ɜ would submit this question, first to the committee, and, if permitted
ɣ the committee, then to the witness: "Furnish to the committee a
atement of account between you and Albert Grant, and also the
nount realized by you from the sale of the Emma Mine in England;
ıe amounts and items paid by you, to whom paid, on what account,
ıd the dates of each payment; the amount transmitted or caused to be
ansmitted by you from England to this country, and your net profits
ı the whole transaction."

Mr. Chittenden remarked that that very question was involved in a
ɜnding litigation in England, and that he had received advices that
ıe information which was sought in that chancery suit would be
ɜtempted to be obtained before this committee from Mr. Park. If Mr.
ark would answer it, it would be with these facts before him and
ɜfore the committee.

The WITNESS. I wish to say further that I was advised by my coun-
ɜl in England not to answer anything further in reference to the pur-
ıase of the mine. Any question relating to fraud, deceit, concealment,
ɜ anything else, and all my dealings with General Schenck I have most
ıeerfully answered, and desire to do so, to the full satisfaction of the
ɔmmittee.

Mr. HEWITT. As I have been the chief examiner of Mr. Park, I de-
re to state that no application has been made to me, directly or indi-
ɜctly, from England in regard to this or any other question.

Mr. SPRINGER. This question has not been suggested to me by any
ɜrson, directly or indirectly, nor have I seen any intimation in any
ublication, public or private, that it was desired to have such informa-
on drawn out in this investigating committee. I am myself responsi-
le for the question, and it was not even suggested to me by any member
f the committee.

Mr. SCHENCK presented the following statement, after the reading of
hich the committee adjourned.

osses of General Schenck from his connection with Emma Mining Company, and all his interest in the company's stock.

Received from Bates, for 25 of my original shares, £500. This was paid and credited
n note to Park.

Received profit on 300 shares of allotted stock, £2,000. This was put up as margin
n purchase of 500 shares and lost.

Received from sales by Gager, £1,894. This was credited on Park's note.

Received commission on 500 shares refunded by Grant to Park. This was cr along with £500 cash on note to Park.

Received Woodhull's note on settlement with him. This was assigned to P settlement of his note.

Thus the above receipts and benefits are accounted for without any of them c into or remaining in the hands of Schenck.

Cash and stock actually paid and assigned by Schenck, not derived directly o rectly from Emma Mine:

December 11, 1872, cash paid on note to Park, £500, say .....
May 13, 1874, cash paid on note to Park.....
Coal, insurance, and other stocks, at same date, to Park.....
May —, 1874, £3,000 to McCulloch & Co.....

To show for this $53,200, Schenck has received dividends and holds stock a lows:

Dividends, thirteen months, (March, 1871-'72).....
Four hundred and seventy-five original shares.....

Leaving a clean loss, as nearly as can be estimated and ascertained, of $41,700

WASHINGTON, D. C., *May* 2, 18

ROBERT C. SCHENCK recalled.

By Mr. HEWITT:

Question. I have placed in your hands the original resignation w you sent to the chairman of the Emma Mining Company, and also a of it in the handwriting of Mr. Park. I was going to ask Mr. Park whe that copy was in his handwriting, but I understand that to be admi therefore it will not be necessary to recall him for that purpose. Wil be good enough to give the committee any explanation you may in regard to these papers?—Answer. I don't think they require explanation, and I must express my satisfaction that those paper been obtained. Since the 1st day of December, five days bef resignation was sent in, I have never been, as I have before st the committee, in communication in any way, or in company w directors or shareholders of the Emma Mining Company as suc never attended a meeting; have had no access to their papers recognize in those papers put into my hands my resignation, da 6th day of December, the day on which it was written and sent charge of Mr. Park, as I before explained, or in charge of so else, to the company. That paper is all in my own handwritin body, the date, and the signature. It is my own composition, upon my own suggestion, without anybody's help, except, as already stated, that it is possible that, as I was in communicatio Mr. Park frequently at that time, I may have had some suggestio him in the rough draught which I submitted to the committee as words (though I am not sure of that) in which I speak of retain the shares that I had in the mine. I have some indistinct recol of his saying to me, "Why do you say you will retain all your s It may be that you may want to sell them." I say in my rough dr "I still hold all the shares." This original paper is all in my own writing, and was sent in by me in good faith, and at the time.

rough draught I produced before the committee, from which this seems to have been built up, (I am sometimes a little particular about forms of expression,) with the addition in this one, which is the one communicated to the State Department and to the London papers, of a sentence which I seem to have interpolated into it: "I know that I but exercised a private and individual right in no way incompatible with public or official duty, but I prefer to take away from some who have criticised me even a pretext for their comments or attacks." The other paper submitted by Mr. Hewitt seems to be a literal copy of my original resignation, and I recognize it as being in Mr. Park's handwriting. How he ever came to make it I do not know, nor do I know where it came from. This I do know, that it is not my signature, and no part of it is in my handwriting. It is but a copy of that which I know I wrote, and it is utterly and altogether wrong to suppose that it had anything to do with the composition or construction of the resignation itself. Even the signature to it is in Mr. Park's handwriting. I call attention to another fact in connection with it: I am familiar with Mr. Tooke's handwriting from the frequent communications I have had from him, not only when I was connected with the board for a little time, but afterward, when he sent me circulars and notes in regard to information which I asked of him, and this original resignation of mine has an indorsement in Mr. Tooke's handwriting. I do not know anything else about this; but I would like the committee to take the rough draught of the resignation, and the resignation which I sent in, and the copy in Mr. Park's handwriting, because they are three statements of the same thing. Here [indicating the rough draught,] is the way I built up the original of my composition. *Here* [the paper with Mr. Tooke's indorsement] is the manner in which it went to the company, and which is its more perfect form or style. And *here* [Mr. Park's copy] is the copy which, for some reason, Mr. Park saw fit to make of it.

Q. You say that in that copy made by Mr. Park, there is not a word in your handwriting?—A. I do not think there is a single word.

Q. Will you be good enough to look at two erasures which exist there, and tell me whether the words interlined are not in your handwriting?—A. That word "fullest" looks like mine, and I am not at all certain that it is not.

Q. Will you look at the word "gentlemen" on the other page and say if it is not in your handwriting?—A. I do not think that it is. Both of them look like my handwriting, however. It may be that I have seen the copy, if that be so.

Q. Will you compare the ink of that with the ink in which your letter of resignation is written, and see if it does not seem to be the same ink?—A. Yes, it does.

Q. Do you think that you did put these two words in that copy?—A. I think it possible I did; therefore I must have seen that copy at some time.

Q. That is what I supposed; and you testified that you had not seen it.—A. No, I did not testify that I had not seen it; but I said that I did not know who made the copy, nor where he got it, nor where it is produced from; but I think that those two words are in my handwriting. He may have taken a copy at the very time I wrote it.

Mr. PARK. (looking at the paper.) Those words are both in my handwriting.

The WITNESS. I thought they were mine.

Q. I should like you, General Schenck, to testify whether you think they are your handwriting or not.—A. I am inclined to think they

are. My attention being directed to those words, I am inclined to think that that copy may have been made by Mr. Park, and compared by me, and that where he had got it wrong from my original, I may have corrected it.

By Mr. MONROE:

Q. Is the copy of Mr. Park's a copy of the rough draught or a copy of the final one you sent in?—A. Of the final one I sent in. I have no recollection of when it was made.

By Mr. HEWITT:

Q. Have you any recollection of any interview with Mr. Park in regard to this letter of resignation?—A. Yes; I have said before that my impression is that I told Mr. Park freely of my determination to resign, and that there was possibly some conversation, and that I think (I have an impression at least) that there was something said about the language as to my holding on to my shares.

Q. Then you think you showed him your original draught?—A. No; I do not think I did; but I do not know about that.

Q. The variation is between the original draught and the second one, and, therefore, how could he have made that suggestion unless you had shown him the original draught?—A. Well, I think it very possible.

Q. Then do I understand you to say that you did show him the original draught?—A. I do not know. I have an impression that at some time or other, either when I told him what I had written, or read to him what I had written, a suggestion was made about holding on to the shares.

Q. Have you any recollection of having sent him or given him the original draught at all?—A. No.

Q. You made an original draught that contains a statement which you say you think Mr. Park suggested should be altered, because it committed you to holding your shares?—A. I do not even acknowledge that. I have an indistinct recollection of my having said something about holding on to my shares, but I came to the conclusion not to put it that way, because I might want to sell them, and in my original draught I altered that statement as you observe, for instead of saying, "I shall gladly continue to hold as a desirable investment all the shares," I strike out "shall gladly continue as a desirable investment," and left it standing, "in which I still hold all the shares."

Q. Do you think you made that change because Mr. Park made a suggestion to you to that effect?—A. I do not know whether I should say that *I think*. I have an indistinct impression that at some time, either then or afterward, or about the time I was sending in the resignation, there was something said between Mr. Park and myself on that subject.

Q. Cannot you recollect whether you sent him or handed him this original draught to be looked at before making the final copy?—A. I do not remember.

Q. Do you ever remember to have seen this copy of Mr. Park's, which I have now submitted to you?—A. I do not. I think I must have seen it, for I think that, at least, the word "fullest" is in my handwriting, and that, perhaps, I showed him the resignation I was going to send in, and that he wanted a copy of it. Certainly he seems to have copied it at some time or other in his own handwriting, even to the signature, and it appears to be corrected in two particulars: the word "men" is struck out and the word "gentlemen" put in instead; and the word

"greatest" is struck out and the word "fullest" put in, so as to make it conform to the original. But I beg leave to repeat here that that original resignation, if it be of any consequence at all, (for I suppose anybody might have written my resignation, and it would still be mine if I had signed it,) expresses my own view, and is mine in every respect; that it is the original resignation which I sent in to the company, and which has been apparently on file ever since in the archives of the company. I have to-day for the first time seen it since the 6th of December, when I sent it in.

Q. In your direct testimony you produced the draught?—A. Yes.

Q. And you were then taken by surprise when you found that the published copy of the letter of resignation differed from that?—A. Yes; and I explained why: because I seemed to have interpolated another sentence into it.

Q. And you are perfectly clear that the sentence interpolated is quite as much your original composition as is the original draught?—A. Yes. I recognize even my own style in it.

Q. Then assuming that you did show the original draught of your resignation to Mr. Park, (but which you think to be doubtful,) is it not possible that Mr. Park sent you back an amended copy, the one which we have now produced here before you?—A. No, sir; I do not think he did.

Q. How, then, do you account for the corrections which you admit, or believe to be, in your handwriting?—A. I have already said that it is very possible that at the time I showed Mr. Park my resignation, as I probably did, (though that I do not remember,) from the relations between us, he desired to keep a copy of it. That would be my inference.

Q. But you have no recollection?—A. I have no recollection of a copy being made at the time, but I am induced to think so because the word "fullest," which is interpolated instead of "greatest," so as to make it conform to the original, looks as though it was in my handwriting. I think it is.

Q. And the word "gentlemen," also?—A. The word "gentlemen" I am not so positive about. The "g" does not resemble mine, but the rest I am not clear about.

Q. I ask you to observe again the copy made by Mr. Park, and the interlineations made, as we suppose, in your handwriting. You assume that he made the copy, and you compared it, and thereupon made the corrections in the copy, which made it conform, as you say, to the original; now is it consistent with the difference in the inks that that should happen?—A. Mr. Park may have made a copy—may have shown me his copy at some time, (that I do not know,) and being at my own desk somewhere, and finding those mistakes in the paper as to those two words, I may have corrected them. I do not know. I cannot recollect. I only know this, and I repeat it to you, that the resignation was made upon my own judgment; and I think the history of this case shows the reason why, after my communication with the State Department and the conclusion that I came to. It is in my own style, it is my own composition, and I cannot account for any copies that may have been made of it by anybody, only that I am inclined to think that at some time or in some way, either about the time it was sent in, or after it was taken, I may have seen that copy, for I think that those two words are corrections of mine, making it to conform to the original and true resignation.

Q. But evidently not made at the time the copy was made?—A. I do not know about that. It is made in a different ink.

Q. Assuming that you sent him or showed him the original draught, are

you confident that he did not return the original draught with this amended copy in his handwriting to you?—A. No, I am confident of that, for this reason, that I recognize one of those sentences as being in my own style, my own language: "In consenting to become a director I know I but exercised a private and individual right in no way incompatible with public or official duty, but I prefer to take away from some who have criticised me even a pretext for their comments and attacks." I feel quite sure that whatever copies may have been made, or whatever else may have been done in regard to this, that is my own language, not adopted from anybody else.

Q. But you have no recollection of ever seeing this copy until to-day?—A. I have no recollection.

Q. Have you any recollection that you ever gave that copy to Mr. Fisher?—A. No.

Q. Do you remember ever having discussed in any way with Mr. Fisher the letter of resignation?—A. I do not. I was mainly bent upon resigning my place as a member of the board, and communicated it with that view.

Q. And you have no recollection of having copied that letter of Mr. Park into the original letter of resignation which you sent to the company, and which is here produced?—A. I have not.

Q. No recollection whatever?—A. I have not.

Q. Let me read a sentence or two from it: "My resignation is upon grounds purely personal to myself. In consenting to become a director, I know that I but exercised a private and individual right in no way incompatible with public or official duty." Now, when you wrote those words, had you received from the State Department the information that they looked upon your connection with this company as a director as an impropriety?—A. I had received the telegram from the State Department.

Q. You had received that at the time you wrote the letter?—A. I had received it at that time.

Q. How do you reconcile the fact that it was an official impropriety with that statement that you made in your letter of resignation, that it was based upon grounds purely personal, and that in consenting to become a director you knew you but exercised a private and individual right in no way incompatible with public or official duty? You had in your possession the telegram of the Secretary of State saying that it was incompatible with your official duty; how do you reconcile the statement of this letter of resignation with the information which you got from the Secretary of State?—A. I do not think that he says that it was incompatible. He says:

Although a public officer, you have the full right of every citizen to be a shareholder, and to invest your money in such honest enterprises as you think proper, and neither the Government nor the public have any right to criticise or to censure you for so doing. The advertisement of the name of a diplomatic representative of the Government as a director of a company seeking to dispose of its shares in the country to which he is accredited, is ill-advised and unfortunate, and is calculated to subject him to criticism; but it is assumed that the advertisement of the mining company in the London journals was not your act, but that of the agents of the company, without consultation with you.

I have all along said this to the committee and to everybody, and that was the feeling under which I tendered my resignation—that, while I did not think I had done anything morally wrong or anything incompatible with my duty, personal or official, yet that it was a mistake for me to permit myself to become a member of the board of direction, because it was likely to provoke criticism.

Q. Did not the Secretary of State advise you that it was ill-advised and unfortunate?—A. Yes.

Q. Do you consider that, after having received that statement, your resignation was a mere matter personal to yourself, or that it was one that you were bound to offer in deference to the views of the Government?—A. Well, that is refining upon the matter, so that I do not know exactly how I can answer you. What I mean there is, that it is a matter which relates to me personally, to my position, to my feelings; that I do not do it out of disgust with the company or from dissatisfaction with the people with whom I have been associated; that I do not do it from a belief that the property is not a valuable one. That is all clearly explained by the context. You will observe that in my letter of resignation I go on first to speak of my confidence in the company and the gentlemen with whom I have been associated, and then state that "my resignation is upon grounds purely personal to myself," and so forth. The last sentence reads as follows: "I beg, therefore, to record my assurance to you, and the other members of the board, that I continue to have the fullest confidence in the value and profitableness of the property they have in charge, in which I still hold all the shares I have been able to take"—I seem to have originally written it thus: "I beg also to record my earnest assurance to you and to them, that in giving up this position," and so forth; but it makes it more logical to connect it by saying that it is upon grounds personal to myself, and to say substantially, "I beg therefore to assure you that I do not do it on account of any dissatisfaction with the property," and so forth. I think in writing my first draught (which was all that I had to refer to when I was first called upon to testify here, never having had access to the company from the day my resignation was sent in) I made it a little more logical when I came to make it out for transmission to the company, in the form in which I sent it in.

Q. In your letter, after you were in possession of Mr. Fish's dispatch, you say: "I know that I but exercised a private and individual right in no way incompatible with public or official duty." After reading that dispatch of Mr. Fish over again, do you still think that you only "exercised a private and individual right in no way incompatible with public or official duty?"—A. Well, in one sense, yes. I do not think it affected my official character at all to do that. I think it was a mistake—I have always said so since looking back upon it—to have permitted my name to have been used as one of the directors; but I do not think I committed any moral wrong whatever; and I was but following what I understood then, and furnished you the proof to show, was a usage in one or more cases prevailing in London. I said that, therefore, in good faith.

Q. Do you think that that dispatch of the Secretary of State is fairly open to the construction that you in no way violated public or official duty in becoming a director?—A. I do. I think with him, too, that it was ill-advised and unfortunate; the result has shown that it was so.

Q. I ask, was it compatible with public and official duty for you to have become a director of the Emma Mining Company?—A. That is calling upon me for an opinion on my own conduct, which I have given repeatedly. I still insist upon it that I am conscious of no wrong.

Q. I am taking the dispatch of the Secretary of State to you, and your letter of resignation to the company, and am trying to get from you whether the one was entirely consistent with the other?—A. I think it was. I think that my resignation is in the spirit of the dis-

patch, and in some regards almost in the same tenor as the dispatch sent by Mr. Fish to me. He is very emphatic in his first lines:

Although a public officer, you have the full right of every citizen to be a shareholder, and to invest your money in such honest enterprises as you think proper, and neither the Government nor the public have any right to criticise or to censure you for so doing.

That is as to the investment in the company.

The advertisement of the name of a diplomatic representative of the Government as a director of a company seeking to dispose of its shares in the country to which he is accredited, is ill-advised and unfortunate, and is calculated to subject him to criticism.

I began to think then that it was ill-advised and unfortunate, and I be-began to think that I had made a mistake. I regarded that as a matter purely personal to myself and to my position, and I did not resign either because I was dissatisfied with the distinguished gentlemen with whom I was associated, and with whom, I repeat, I have become quite pleased from the acquaintance I made with them, nor did I resign because I had lost faith, for I had not at all, in the great value of the the property. All those things I set out in the resignation.

Q. You say there that it is purely personal to yourself and not incompatible with any official duty. Now, if you look at your dispatch to Secretary Fish, you will observe the very last words of it are, "will not embarrass administration;" evidently that is not purely personal; that means something official.—A. Well, it is personal, if I should do it; I should be the person who did it.

Q. Yes; but you were the American minister.—A. Precisely; but it seems to me that this is argument and not testimony.

Q. I am endeavoring to find out how you reconcile your statement that this matter was purely personal to yourself with your remark to the Secretary of State that you would not embarrass the administration, and also with Secretary Fish's telegram to you.—A. I have tried in good faith, to you and to the whole committee, to give all my views now as heretofore in relation to this matter. I saw (it was not a matter of speculation then) that through me there was going to be what I regarded as ungenerous criticism upon the administration and upon myself, and that was of itself a strong and sufficient reason not merely for sending in afterward my resignation, but for communicating with the State Department, initiating the thing, for I took it to be observed all the while that I initiated this matter. I had never heard a word from the administration in this matter. I did not wait to consult with friends; but when I saw these criticisms made I sent this dispatch to Mr. Fish, to which I wish again to refer, if you please:

Am surprised and pained by telegrams from United States published here, regarding my connection with Emma Mine; have no pecuniary interest except some shares, for which, after investigating fully, I paid dollar for dollar. Having thus decided and raised money to invest, was solicited by respectable Americans to act with gentlemen of known high character as director to protect their interest and my own in what I believe very valuable property. Perhaps made mistake; want only honorably and usefully to serve my Government and countrymen, but have not deemed it wrong to make something honestly for myself and family. Will withdraw from board, or do whatever you advise. Will not embarrass administration.

Q. And you received an official answer to that?—A. Yes; sent by the Secretary of State.

Q. And thereupon you resigned?—A. Yes. I think I should have resigned even if I had not been advised.

Q. You state in your resignation that it is upon grounds purely per-

onal to yourself, and expressly try to draw a distinction between these rounds and your official duty. I ask you, for the purpose of getting an xplanation, how you reconcile these statements?—A. I do not know hat I can give any more explanation than I have. I take the whole esignation and my personal position in relation to this matter, I being here, being the man who was American minister, and my consideration f the question whether I had or had not perhaps made a mistake, in-uenced me in my action, and that I called being influenced personally; ut the resignation itself contains a full explanation, for I go on not nerely to state positively what is my view, but I strengthen it upon ither side by showing that this is a matter concerning myself, situated s I was, and not a step which I took in consequence of my hav-ng lost faith in the property, or in consequence of having a lack of espect for those who were associated with me in its directorship. I hink that in that respect, and taking the whole resignation together, explained clearly and fully what I mean by its being personal to nyself.

Q. Did you resign, or did you not, in consequence of this communication rom the Secretary of State?—A. My impression is that I should have esigned without that; that, of course, added to it. I would have resigned ny place as minister if it had been requested of me, not for that only, ut for any reason. I hold that the relationship between the head of he Government and one who is sent abroad in a diplomatic capacity is uch that a mere indication that he does not represent the views of the dministration in his character, conduct, proceedings, or anything else, ought to be a warrant for him, and ought to make it obligatory upon im to resign his place. I was ready, therefore, to relieve the adminis-ration, if they thought that these criticisms were just, and that I ought ot to remain minister, or I was ready to resign my place, or to do what-ever else was thought proper, and I asked for advice.

Q. Did you make the statement to Mr. Park at that time that you were ready to resign as American minister?—A. I do not know. I think very likely I said that, not only to him, but to anybody else of my per-onal friends; but I would not go noising it about.

Q. I only want to get an answer to that particular question. Did you nake the statement to Mr. Park at that time that you were ready to esign as American minister?—A. I do not know what conversation I nay have had with Mr. Park five years ago.

Q. I remind you that Albert Grant testified that Mr. Park told him hat you were ready to resign your position as American minister.—A. I am not at all responsible for what Mr. Grant says. I have no rec-llection of ever saying anything of the kind to Mr. Park, and yet I would not say that I never did, because my views expressd to you here are ny views on that subject. I do not remember having said so to Mr. Park, or to anybody else in especial.

On motion of Mr. Faulkner, the examination of General Schenck was uspended for the purpose of receiving a statement from Hon. Roscoe Conkling in reference to an allusion to himself in the testimony of Hon. Wm. M. Stewart, taken before the committee.

Mr. CONKLING. Recently my attention was called to a letter which ppears in the records of the testimony taken before this committee, the late being Thursday, March 23, 1876, and the witness being Mr. Wil-iam M. Stewart. He put in evidence a letter dated New York, May 0, 1871, signed "James E.," and from the signature of a letter preceding n the same page I take the writer to be James E. Lyon. At the con-lusion of that letter I read these words:

"I have Conkling of New York, Stewart, and Noah Davis to assist me here, but do not tell a soul but John. I will have them both out, and the marshal too, unless he goes straight, but I think Patrick is all right. I am bound to have a trial or a receiver at once. Write and telegraph often. Yours, James E."

I would like, Mr. Chairman, to make a statement, on oath or otherwise as the committee may suggest, touching this passage, showing that it refers to me.

ROSCOE CONKLING sworn and examined.

The WITNESS. This statement, assuming me to be the Conkling referred to, is without any foundation in fact. I have no knowledge or recollection of ever hearing of Mr. Lyon until recently I read his name in the newspapers as in some way a party to what I take to be the investigation or proceeding before this committee. I never saw him to know him, I think I can be sure. I have no recollection of ever having seen him up to this moment, or of ever having received a communication from him in any form. I never was engaged or retained professionally or otherwise in any matter to which I understand this to refer. I was never employed touching the Emma Mine, or enlisted in respect to it, nor have I ever had anything to do with the removal of either of the persons whom I understand to be there referred to; Judge McKeon, I believe, was one of them. He was my colleague formerly in the House, and a resident of my State, and served creditably in the field; and I never knew anything of him, or suspected anything, demanding at my hands any movement for his removal. If I have not been sufficiently full and definite about this, I would be glad if any member of the committee would enable me to be so by question or suggestion. The reference to my name is entirely an error, so far as I know.

On the suggestion of Mr. Springer, Mr. James E. Lyon, who was present and heard Mr. Conkling's statement, made the following explanation with reference thereto:

Mr. LYON. Mr. William Head, one of the owners of the Emma Mining Company, of San Francisco, told me that he had employed Senator Conkling in their behalf, and our interests were mutual in removing the judge. He had repeatedly told me so. I believed it, and thought it was all right. I knew nothing to the contrary. That is all I have to say about it. I never saw Senator Conkling in my life to speak to him, and I took it upon the authority of Mr. Head alone.

Mr. CONKLING, (to Mr. Lyon.) May I inquire whether you have any letter, or ever saw any letter or communication to that effect?

Mr. LYON. No, sir; Mr. Head told me frequently of the strength of the San Francisco party, and in that connection said he had Senator Conkling.

The CHAIRMAN, (to Mr. Lyon.) Have you any personal knowledge on the subject?

Mr. LYON. None whatever.

Mr. CONKLING. The statement of Mr. Lyon enables me to add a word which, perhaps, is just to him and just to Mr. Head. I do remember a gentleman of the name of Head, a member of a somewhat numerous family in my county, calling on me once at my home in Utica, inquiring of me what could be done by way of an action of replevin, or an action of trover, to be heard in the city of New York to gain possession of some personal property, which I think must have been the products of mines or specimens of mineral ores. I said to him that there could be no difficulty in an action of replevin to be heard in the city of

New York, touching any subject-matter or any person there within the jurisdiction of the court. I think that is the substance of the conversation. It is quite possible that the minerals, if they were minerals or specimens of ores, may have related to that mine or mines here in question. I do not know whether there is one mine or more than one mine concerned here. I am reminded of that circumstance by the mention of Mr. Head's name.

By Mr. SPRINGER:

Q. If you can give the date of that conversation, it may give a clue as to whether these minerals were *in transitu*.—A. I cannot give any date, except that it comes to my mind as of several years ago; and it seems to me as though I saw Mr. Head at my home, so it would not be during the session of Congress. If that inquiry relates to this, it is absolutely the only incident which I can recall to which this statement can possibly relate. I think I never had any conversation in my life with any gentleman whose name was Head that could relate to this matter, unless the inquiry which I have given as to a law which would govern an action, or the possibility of bringing an action, possessory in its nature, in the city of New York, is the incident.

By Mr. WILLIAMS:

Q. And you were in no way engaged or retained in that matter?—A. Not in any way whatever, beyond the fact that this gentleman, who had been in years before my neighbor, and whose family was still in our neighborhood, came and asked me, as it is quite customary for lawyers to be asked, this general question. I never saw him afterward, and I never heard anything in regard to it, and never had connection with it, except to receive this inquiry from him, and answer it in such general terms.

Q. And he made no allusion to the removal of Judge McKean?—A. I have no recollection of anything of that sort. I do remember that Mr. Stewart, I should think, or some member of the Judiciary Committee of the Senate, (I think it must be Mr. Stewart,) inquired of me on one occasion about Judge McKean, and told me there were allegations against him. I said perhaps very much there what I have said here, that my knowledge of Judge McKean was favorable to him. I have no recollection of hearing elsewhere of any attempt of proceeding against him.

By Mr. SPRINGER:

Q. The date of Mr. Lyon's letter from which you quote was May 30, 1871. Do you think it was about that time Mr. Head saw you?—A. I should be surprised if the occurrence I speak of can have taken place so long ago, but events in these days carry time along rapidly, and perhaps it was so long ago as that. I should be very unwilling to seem to contradict myself in respect of that date; I have no recollection about it. This inquiry comes to me only as any casual incident, as to which reference might be made by a name or a suggestion. It made no impression upon my mind at the time any more than the hundreds, perhaps thousands, of questions of the sort which are asked of any lawyer, casually or otherwise, in the course of a year. I should never have thought of it but for the mention of Mr. Head now.

By the CHAIRMAN:

Q. Do you desire to make any further statement in regard to the matter?

Mr. CONKLING. Nothing, unless there is something I may be reminded of.

ROBERT C. SCHENCK, examination resumed:

By Mr. HEWITT:

Q. Before we pass from the letters, let me say that in the printed testimony you put in an extract from the London Times, containing a circular of George Anderson, the chairman of the Emma Mining Company, with a copy of your letter of resignation; that copy as printed here does not correspond with either of the others, and I wish to know whether that is an error, or how that got in; it corresponds neither with the draft, nor with the letter you sent to the Secretary of State.—A. I am in no way responsible for that.

Q. It appears in your testimony, and I ask if you can explain it?—A. Some one may have gone out and found a London Times of that date.

Q. Was it copied from the London Times?—A. It was copied from the London Times.

Q. There is an omission of a whole sentence here [comparing.] This clause is omitted: "In thus withdrawing from the trust reposed in me I desire to express to my associates in the management of the company my sincere and high appreciation of each and every one of them as gentlemen of distinguished position and character with whom it has been to me a pleasure to be connected."—A. I want to see if I can give you an explanation about it. We are really conjecturing after all. It is this: when I communicated to Mr. Fish, I communicated to him what was published in the Times.

Q. But this appears to be in the Times of Friday, January 12?—A. Precisely. I said to Mr. Fish: "In the money article of the Times of to-day you will find published my letter resigning the directorship on the 6th December last." It was cut from the London Times, and as to that sentence in it, I suppose your public printer, or clerk, or proof-reader, or stenographer, or somebody has omitted it in copying. I found it by referring to the Times. Mr. Fish having the copy which I sent him pasted on a piece of paper or in the files of the State Department, I could not get it, but I got the date of the article and I came up here to the Capitol and somebody found a file of the Times, perhaps in the library, and this letter was copied from it and was produced here. The omission must be an error of somebody in the copying.

Q. Do you state it before the committee as your opinion that it is proper for an American minister to operate in stocks, for a rise or fall, in the country to which he is accredited?—A. I do not think (as I think I said before) that it would be becoming in an American minister to become a stock-jobber or to be in the habit of dealing in things of that kind; but an occasional speculation in something to better his condition, provided he does not flaunt it before the world, is, I think, permissible to a public officer as well as to others, and I adopted in the cross-examination made by your chairman in the first instance, the language that Mr. Fish used in his telegram to me as embodying his opinions expressed to me on that subject. I will read that again, that the committee may have it fresh in their minds. He says: "Although a public officer, you have the full right of every American citizen to be a shareholder and to invest your money in such enterprises as you think proper, and neither the Government nor the public have any right to criticise or to censure you for so doing." Now whether a person may buy or sell for a fall or rise is a matter you know more about than I do. I never was in the habit of indulging in operations of that kind.

Mr. BANKS (to Mr. HEWITT:) Do you mean by "operating," buying and selling?

Mr. HEWITT. Buying and selling.

Mr. BANKS. Because my idea of it is very different.

The WITNESS. I have never been in the habit of operating in stocks. I have not had the time nor the taste to do anything of the kind. All I have done is plainly explained to this committee, and I have endeavored to make my explanation as full and concise as my memory can make it, concealing nothing, covering nothing, but giving you the benefit of all that I have done in relation to the Emma Mine, and that embraces stocks generally. I think I am to be judged here by the facts, and the facts I have endeavored to give. This is a sort of catechism in ethics as to my opinion of what is proper to do or not proper to do.

By Mr. HEWITT:

Q. You have stated certain facts, and stated that you did buy, and that you did certainly consider the propriety of selling the stocks which you did not own, (though you say you did not sell them;) you have testified to this yourself, and it seems to me to be the business of this committee to ask you—you have been the American minister so long, and are so entirely conversant with the rules relating to diplomacy—whether you consider it proper for an American minister to be selling stocks openly in the market of the country to which he is accredited. That is all I have asked you, and I think I am entitled to an answer to that question.—A. I think you are; but that question is different from the other. That is not a question as to whether I think it proper to operate in stocks for a rise or fall. The question now relates to that transaction, as I understand, of mine which has been spoken of, and which was suggested to me, to buy two thousand shares of the stock at the time the stock seemed to be going down.

Q. You mean to sell, not to buy?—A. To sell; yes. I scarcely know the difference between bulls and bears; but I suppose, upon a little reflection, I could make the distinction. What I answer now is as to the fact on that particular occasion, and as to that I repeat what I said before. I received information, by which I was surprised and troubled, that, to my very great astonishment, this Emma Mining Company was likely to have the stock fall in the market from the suspension of its dividends upon which I had counted. Besides my original shares (475) I owned some five hundred shares that were being carried for me, which I had hoped at some time (getting the benefit of the dividends in the mean time) to sell for more than I gave for them. I had carried them then from April up to December. Under those circumstances it was suggested to me, having those 475, that it would be good for me to sell short, as you call it, I believe.

Q. To sell more than you had?—A. More than I had, yes; in order to make money by the operation. For some reason that I do not now understand, probably because I did not think it was right to do a thing of that kind, I did not sell the two thousand shares. I did not comply with that suggestion, and my impression still is, and I feel quite confident of it, notwithstanding all that Mr. McDougal has said, that I never telegraphed or otherwise gave orders to my clerk, Mr. Cheeseborough, or anybody else, to sell in pursuance of that suggestion made to me. But to go on and be frank with you, I will repeat now what I said before. So far as this particular operation is concerned, to save myself from the loss which I could ill afford to bear, I am really sorry I did not make some operation in stock at that time which would cover the loss, and make one hand, as it were, wash the other. I have never been in the

habit of operating in stocks; and that stock would not have been an open-market operation, because I was never known as an open-market operator.

Q. Was not the purchase of these five hundred shares, which led to this contingency of selling two thousand, a speculative operation in the London market?—A. In one sense it was. We hoped it would go on rising and rising, because we had very great faith in the stock. Gentlemen who were interested in the matter and myself had confidence in it, because we had faith in getting the dividends, and, as I have told you already, it was not one of the daily operations. I think the time was April, just before Mr. Park left for New York.

Mr. PARK. I left on the 11th of May.

The WITNESS. Then it might not have been until May. We had held up to December. The dividends had been regularly paid on the five hundred shares, and collected by McCulloch & Company, and that reduced the amount of my loss, because they passed to my credit, and I wanted to sell that out with as little loss as possible; and, if I could have made some one operation without going into the market, I would have been glad to do it, by which I could have made one hand wash the other.

Q. Do you think it was a proper operation for an American minister to purchase five hundred shares of stock in a speculative way in the country to which he is accredited?—A. I think there was nothing wrong in my action in that case. I merely state to you what I did.

Q. You consider it proper for the American minister (and that is what this committee has to decide upon) to go into a speculative operation to buy stocks for a rise—stocks for which you could not and did not pay in the London market?—A. The committee have, as you say, that very thing to pass upon. I have given them all the facts; I have told them what I did in relation to the particular things which I did. I did not think those things were improper, but I did not want to answer upon a question of ethics generally.

Q. I do not put it to you as a question of ethics generally, but a question as to that particular operation.—A. I do not think, as I have repeated again and again, that I did any moral wrong in doing as I did; nor that I did anything that I might not properly do in endeavoring to save myself from that loss, or in endeavoring to make the money in the way I did.

Q. At the time you made the purchase you had no losses?—A. No.

Q. You had a profit?—A. Well, I do not think I was wrong in that operation, because I have explained to you what the operation was. It was not a case of going in and buying and selling stocks; that I did not do. The stock was actually bought and paid for by my bankers, and carried, and the dividends collected upon it; only I mean this, that when I held on to my 475 shares as a permanent investment, I did not look upon that five hundred as a permanent investment, intending, I tell you frankly, to sell it out if I could sell it at an advantage.

Q. It was speculative?—A. Yes; and you may say that everything that we buy is speculative.

Q. You had not the means to pay for the five hundred shares?—A. I made it secure.

Q. People in business understand very well what is meant by an investment; they understand it to be that for which they can pay, while they understand a speculation to be that for which they cannot pay, but to pay for which they borrow the money in the hope of profit. That operation, therefore, was speculative, because you had not the means to pay for it; is not that so?—A. I will tell you the fact. The 475 shares were

an investment, and the five hundred shares I bought upon my credit, which, perhaps, was better than it ought to have been, (though I believe I have never failed to satisfy any claim against me,) and a margin of £2,000 which I put up. I did not go into the market to buy with my credit, and the margin I was able to put up, this stock with the expectation that it was to be a permanent property with me, but I did it with the expectation, having confidence in this property, of being able to sell it for more than I gave, and making a profit by it. It was not an operation from day to day like your stock-jobbing operations, of which you may know a great deal more than I do, for I do not know much about them except from the information of others. That is shown from the fact that it went on and was carried from about the first of May up to December, and only sold then because I became fearful that the time never would come when I could sell at a profit. I had finally to sell and pocket the loss. Now, I do say that I do not think there was anything improper in that transaction. I confine myself to the thing which I did.

Q. How many secretaries of legation had you in London?—A. I had two secretaries of legation.

Q. Who was the first after Mr. Moran went away?—A. Colonel Hoffman.

Q. You had two independent of Mr. Moran?—A. No; General Woodhull was second secretary for a time, and after that came Mr. Cheesborough. Mr. Moran was succeeded by Mr. Hoffman.

Q. Was Mr. Moran interested with you in any of those operations?—A. General Woodhull was the man that was interested with me in the five hundred.

Q. Did you employ Mr. Cheesborough in any way in regard to those operations?—A. I never gave him any commission or instructions except in regard to those five hundred shares. I was returning from Italy, where I had been traveling with my family upon leave of absence, to pass some time meeting engagements that I had in Paris. Mr. Cheesborough had leave of absence, and came over at that time because he wished to be in Paris a week while I was there. I need not, I presume, go into the social details of a visit of that kind. While I was in Paris, on my return from Italy in December, 1872, there was forwarded to me by mail this dispatch, surprising me in regard to the condition of the Emma Mine, and the suspension of its dividends. I proposed to Mr. Cheesborough that instead of staying in Paris and enjoying his week or more of leave of absence while we were there, as I had been detained necessarily in Paris, he should go back at once and see my bankers, and see what should be done, and whether we had better sell out or not.

Q. Now, let me ask you whether you think it proper for the American minister to use the secretary of legation in speculative transactions in the market of the country to which he is accredited.—A. I do not, and I have not so used any one.

Q. You stated that General Woodhull was interested with you in one of the operations?—A. He was interested. I gave him an interest. I do not know that that was "using" General Woodhull.

Q. You considered that such association of the secretaries, and such use as you did make of them, whatever it may have been, in speculative transactions in the country to which you were accredited was a proper thing to do?—A. I understand the drift of all this examination. I have not refused to answer at all, because I know there would be misconstruction put upon it if I were to decline to answer to a sort of catechism upon the ethics of position, and office, and personal conduct. Therefore, I have endeavored to answer directly. I answer, however

in the first place in regard to this matter, that I never have used, or been in the habit of using, my secretaries for any purpose of that kind, or in connection with speculative enterprises. They are gentlemen perfectly competent to take care of their own business; one of them certainly much more familiar with financial operations and matters of commerce than I have ever been. I have requested one of them as secretary and friend to do something for me. The other I permitted to have an interest with me in a transaction where I might have excluded him, because they were shares that were allotted to me, namely, those three hundred shares allotted to the original shareholders. It was no speculative transaction otherwise than that. And I answer, therefore, as to the fact, that I have not been in the habit of using them in that way, and it would seem as if it was almost intended to entrap me into using such language as that it was "proper to use them." I have not used them.

Q. I have asked you as to the fact, and you have a right to say what your explanation is.—A. I do not think that what I did there in either of those cases, confining myself to the facts, was wrong. I do not think that I violated any propriety, according to the nicest, the strictest, or the most proper sense or judgment in either of those things which I did. I have said that before. I repeat it now; and what the actions were I have developed as fully as I knew how to do, and as candidly as I could, to this committee. I think the committee will bear me witness that in the statement I originally submitted, according to the best of my recollection, I gave everything that I had done or could remember in connection with this Emma Mine and its stock.

Q. Will you be kind enough to state what transaction you had with Mr. Fisher in connection with the Emma stock?—A. I do not think I ever had any transaction with Mr. Fisher, except this: When those three thousand shares were disposed of, I sent in blank the transfer. I think it passed afterward through Mr. Fisher's hands. He, perhaps, subsequently signed it. I have been told since that he did. That is the only thing that I know of, or remember of, having to do with Mr. Fisher, and that I did not have to do with him.

Q. You had no joint interest with him in buying or selling the stocks?—A. No, sir.

Q. Nor transactions with him in connection with Coates & Hankey?—A. No.

Q. Did he ever pay you any money in relation to Coates & Hankey?—A. No.

Q. Did you ever have any transaction with Coates & Hankey yourself?—A. No, sir; I do not think I ever saw any of them.

Q. Did Mr. Fisher ever give you a check for £171.17.6 in any transaction of any kind?—A. I do not remember any such transaction. He died owing me a little money, which was, most of it, money loaned to him, because he was very much embarassed in the last year or so of his life.

Q. Did you ever give him a check?—A. I do not remember. Mr. Fisher gave me, or else gave General Woodhull, I do not remember which, a check in relation to another transaction, in no way whatever connected with the Emma Mining Company; either a check or money, I do not know which.

Q. In an account rendered between Coates & Hankey and Fisher there is a credit to him for £171.17.6 received from General Schenck.—A. I do not know anything at all about it; I do not even know Coates & Hankey.

The account current referred to is as follows:

24 GRESHAM STREET, BANK E. C.,
CORNER OF COLEMAN STREET,
London, September 30, 1872.

M. FISHER, Esq.:
)EAR SIR: We inclose you memo. of account for this settlement.

Yourself	£197 0 11
General Schenck	171 17 6
	368 18 5
Yourself	230 10 8

:heque herewith, £138 7*s* 9*d*.
We are, dear sir, yours truly,

COATES & HANKEY,
Per W. J. DUMONT.

Q. Did you ever let Fisher have (excepting the three hundred shares stock of which you spoke) any Emma Mine stock at any time?—A. hink I let Mr. Fisher once have, I do not know for what purpose, wever—to show to some one, or something else—one or two certifi- ;es, which Mr. Gager gave to me, and which I never used in any way; t he handed back to me the certificate, and I handed it back to Mr. ger. These were certificates which Mr. Gager volunteered to let me ve, supposing that McCulloch & Co., who were carrying five hundred ıres for me, might want further security. I have an indistinct recol- tion that for some reason or other I let Fisher take away and bring ck again one of those certificates; but I never had any operation in ıck with him one way or the other.

Q. You are not certain when he had that certificate?—A. No; nor I not know that he had it; but I am under the impression that he had.

Q. Was he in Paris with you at the time the telegram was received ım Mr. Park?—A. Not with me; but he was in Paris on some business.

Q. Did you talk with him as to the condition of the Emma Mining mpany at that time?—A. I suppose I talked with him, because I knew ıt he had a great deal to do with Emma mining stock. At that time ıegan to be a little doubtful about Fisher, because he was getting ;her dissipated, and was very much embarrassed, and it rather an- ved me to have him talk to me about these things, supposing he might ; information from me—he was always wanting information. I do not ; that we did not have any conversation; I dare say we had, because ɜrybody was excited about Emma mining stock at the time.

Q. Do you remember that you told him then that you received a tele- ım to sell two thousand shares?—A. I do not know. It is very possible ıt I told him. I will remark here that at the time I got that informa- n it was all common in London. Everybody knew about it, because e of the telegrams which Park testified to had come over to different rsons. Among the rest it had come to me, but I did not get it until was two or three days old, and I found, therefore, that everybody ew more than I did about the Emma Mine and the way it was tum- ng.

Q. But the fact that you were advised to sell two thousand shares s not known?—A. I may have mentioned that to him. I do not ow. That is four or five years ago, and my remembrance is not very tinct about it.

Q. If he knew about these two thousand shares, he must have got his ormation from you? There is no way in which he could have got it ;ept from you?—A. No; the only way that any conversation would ve occurred between us is that Fisher was going back and forth fre-

quently, and had more information than I had, and probably wanted to get what little information I had in addition to his own; and it would be an object of his inquiry, because he had been operating, as I never had been, in the stocks, at one time and another, for himself and others.

Q. On the receipt of that telegram from Mr. Park you were in Paris. Did you send Colonel Cheeseborough at once to London, or did you first communicate with the company; which course did you take about it?—A. I do not suppose I communicated with the company; I recollect neither circumstance. The full import of that telegram was not therein at first appreciated; it was opened either by my daughter or somebody else who did not sufficiently understand it, and I think I was out to dine and came back, and several hours had elapsed, perhaps half a day or more, after the telegram came before I saw it. I became, of course, interested, and I got Mr. Cheeseborough (who was an uncle of General Woodhull, who was interested with me in the matter) to give up his visit to Paris, and go at once to England, and I think he went that night on one of the early trains.

Q. Do you remember whether you telegraphed to Mr. Anderson, the chairman of the company?—A. I do not; it would have been entirely unnecessary, because it was about matters which they understood better than I did.

Q. Do you remember whether anybody came to Paris from the company to consult with you?—A. There did, after that. It was while I was yet in Paris; but it was about another thing altogether. While I was yet in Paris a singular thing occurred. The company got an impression, either from something I telegraphed in reply to an inquiry made of me or something of that kind, that I would help to raise the funds to pay the dividend rather than have the dividend passed; and I received a telegram stating that one of the directors would come over and arrange with me to see how the money would be raised. I had no intention of anything of the kind; they had misunderstood altogether what I had said.

Q. Had you made any effort to raise money?—A. Not in that way. I perhaps suggested that it was very desirable that if they could they should continue to pay dividends, or something of that kind. I do not know whom I suggested it to if I did. But they got an impression from something that I said, or that Colonel Cheeseborough said, or something that I telegraphed to him or wrote him, that I would aid in raising money to pay the dividends. I think I have got that telegram, but I am not sure. They surprised me by telegraphing to me about it, indicating, as I gathered from their telegram, that they understood me to have an intention to raise the money. I could no more have raised that money —£18,000, or something of that kind—than I could have got to the moon.

Q. Did not this director come to Paris and see you prior to your final instruction to Mr. Cheesborough?—A. No; I think not.

Q. What was the result of your conference with this director?—A. He did not come. According to my recollection they telegraphed me, and I telegraphed back that they were mistaken entirely; I had no means to raise the money. They may have intended that a director should come over; but I think that if so, I stopped him from coming.

Mr. HEWITT handed to the witness three telegrams; one dated December 17, 1872, reading as follows:

ANDERSON,

Chairman Emma Silver-Mining Company, London:

As shareholder, I implore board not to suspend dividends.

SCHENCK.

Another is dated December 18, 1872:

ANDERSON,
Chairman Emma Silver-Mining Company,
Queen Victoria Street, London:

If dividend is declared will willingly loan mine to the company.

SCHENCK.

The answer to that is dated December 18, 1872:

GENERAL SCHENCK,
Rue de la Paix, Paris:

"Thanks for offer. Wingfield, a director, crossing to see you Friday morning to arrange."

The WITNESS. These telegrams enable me to refresh my recollection. I telegraphed on the 18th that if they would declare a dividend I would willingly loan them my dividend, (as it was a temporary matter for that month,) but they understood it to mean that I would loan the money with which to pay the dividend on the stock. I set the matter right at once.

Q. After the 18th day of December did you not send instructions to Mr. Cheeseborough to sell two thousand shares of stock?—A. I am very strongly impressed with a belief that I did no such thing. I have no recollection of ever doing anything of the kind. I think he would have tried to do it for me, and have done it for me, if asked to; but nothing of the sort was done.

T. W. PARK recalled:

By Mr. CHITTENDEN:

Question. I show you a copy of General Schenck's resignation as a director of the Emma Mining Company, one of the papers produced before the committee this morning, and ask you whether that copy is in your handwriting?—Answer. The paper is dated December 6, 1871, and is in my handwriting, both the body and the signature. The two words interlined, "gentlemen" on the first page, and "fullest" on the third page, are in my handwriting, if I know my own handwriting, and I think any member of the committee will find them to be the same by comparison. The same "f" is seen right through the paper, as is seen in this word "fullest," and so it is with the "l's," the "s," and the "t;" they are all mine. The "g" in "gentlemen" I can recognize as my own, and the "e" following, and so with the whole word.

Q. Have you any doubt that the copy, the interlineations and signature, are in your handwriting?—A. I have not a particle of doubt about it.

Q. Have you any recollection of the circumstances under which the copy was taken?—A. I have none. My supposition is, that after the letter of resignation was in, or at any rate, after it was drawn, I wrote a copy for some one else, because it is not in my hands; and if Mr. Fisher, or any other gentleman, should have asked me to procure a copy before it was published in the newspapers, which it was not until the next month, I should have furnished one without any hesitation. That may have been the occasion of it; but I have no recollection of making a copy.

Q. Have you any knowledge that this copy was ever in the possession of the Emma Mining Company?—A. I have no knowledge. I do not know what became of the paper, because I have no recollection of having written it; but it is my handwriting.

Q. Is there anything on the back, or anything upon the paper, in any

way to indicate that it ever was in the possession of that company?—A. No, there is nothing on the paper to indicate. It is not the letter of resignation that was presented to the company; it is but a copy of it, signature and all. In this connection I want to say further, that no portion of it whatever is my composition.

Q. Why do you say that no portion of it is your composition?—A. From the style of it. Any one would know from the style that it is not my writing. There are words used in it that I presume I never used in my life in writing, unless it be in copying.

Q. Is there any particular sentence there that you can refer to that you know was not composed by you?—A. Yes, [reading:] "In this withdrawing from the trust reposed in me, I desire to express to my associates in the management of the company my sincere and high appreciation of each and every one of them as gentlemen of distinguished position and character, with whom it has been to me a pleasure to be connected." If any person will find any sentence that I ever wrote in my life in which I speak of myself as a "distinguished gentleman," or in terms complimentary to myself, unless it be a statement of fact from which an inference can be drawn, then I will admit that I wrote that letter; but I never wrote such a letter in all my life about myself. I might have written facts from which people may have drawn an inference that I was honest, or something of that kind, but it was impossible for me to have written that for General Schenck—to have composed it for him to sign.

Q. I now show you the original letter of resignation.—A. This I have compared with the copy that I made, and which is here before the committee, and they agree.

Q. Do you recognize that as the original letter that was sent or taken to the company?—A. I could not say that I could recognize it as the one. It has got the indorsement of the secretary of the company, and I have no doubt that it is the original; but of course I cannot recollect. It is in General Schenck's handwriting.

Q. A question has been made in regard to the product of this mine as compared with the promise in the prospectus. Have you any means of informing this committee what amount of first-class ore was taken out of that mine after the sale?—A. When Mr. Hewitt inquired of me how I accounted for the falling off of the yield, or for the deficiency, I did not have the papers that I have now. I procured, since I left here, a paper from the superintendent of the mine, from which it is shown there was ore shipped from the mine from January 13, 1872, to December 1, 1872, (the time of the last dividend,) to the amount of 7,397 tons and 610 pounds; from 1st December, 1872, (after they ceased paying dividends,) to the 21st day of February, 1874, which was the year that the property was attached, there were 8,008 tons and 384 pounds, which should have produced a million dollars.

By Mr. HEWITT:

Q. You say "should have produced a million dollars?"—A. Yes.

Q. You mean to say it was rich enough to produce that?—A. Yes; that is my judgment.

Q. You knew it was rich enough?—A. I have assays of these ores taken from the mine, procured from the same source, relating to the years 1873 and 1874, from which I say, as near as I can judge, that this should have produced one million dollars. I propose to put this paper in, showing the assays of each day's production during the years 1873 and 1874. I have not been able to get an account of the production

rom the time of the sale up to January, 1872; but from the 13th of anuary, 1872, to the 21st of February, 1874, there were 15,405 tons and 94 pounds, and there is a mark on the back in pencil, by the superinendent, showing that from February 21 to September 14, 1874, there ere 1,589½ tons, making an aggregate, from the 13th of January, 1872, o the 14th of September, 1874, of 16,995 tons of first-class ore gotten rom the mine. That is exclusive of what was taken out from the time f the sale to the 13th of January, 1872. Taking the average of the ssays for 1873, I have had my clerk make up a statement, and he has ound the value to be $145.86 per ton. That would not be exact; beause while taking the assays through the whole time, and adding them p and dividing them by the number of assays, yet some of the lots would e smaller and some would be larger, so that it might be more than 145.86 per ton, or it might be less. The assays are all here, and that s the nearest that I could make them.

SUPERINTENDENT'S OFFICE, EMMA MINE,
Little Cottonwood Cañon, February 21, 1874.

uantity of ore shipped from Emma Mine from December 10, 1872, to February 21 1874, (14 months and 11 days,) 7,110$\frac{1117}{2000}$ tons.

tatement, copied from the accounts in this office, showing the quantity of ore shipped from the Emma Mine from January 13, 1872, *to February* 21, 1874.

Date.	Tons.	Pounds.	Date.	Tons.	Pounds.
rom Jan. 13 to Feb. 2, 1872	526	1,022	From Apr. 30 to May 31, 1873	218	410
rom Feb. 2 to Mar. 2, 1872	181	835	From May 31 to June 30, 1873	316	1,662
rom Mar. 2 to Apr. 6, 1872	190	1,915	From June 30 to July 31, 1873	418	812
rom Apr. 6 to May 4, 1872	380	1,350	From July 31 to Aug. 31, 1873	441	975
rom May 4 to June 1, 1872	476	342	From Aug. 31 to Sept. 30, 1873	531	1,835
rom June 1 to June 29, 1872	23	1,225	From Sept. 30 to Oct. 31, 1873	627	780
rom June 29 to July 27, 1872	247	1,915	From Oct. 31 to Nov. 30, 1873	387	1,790
rom July 27 to Aug. 31, 1872	705	1,459	From Nov. 30 to Dec. 31, 1873	212	690
rom Aug. 31 to Sept. 28, 1872	1,660	1,837	From Dec. 31, 1873, to Jan. 31, 1874	210	1,140
rom Sept. 28 to Oct. 26, 1872	1,778	1,915	From Jan. 31 to Feb. 21, 1874	136	1,130
rom Oct. 26 to Nov. 30, 1872	1,224	795			
rom Nov. 30 to Dec. 31, 1872	1,602	1,850	Total	15,167	992
rom Dec. 31, 1872, to Jan. 31, 1873	785	340	Ore taken out by Illinois Tunnel Company	238	2
rom Jan. 31 to Feb. 28, 1873	312	810			
rom Feb. 28 to Mar. 31, 1873	797	1,080			
rom Mar. 31 to Apr. 30, 1873	770	1,078	Total shipment	15,405	944

HANNIBAL WILLIAMS, *Superintendent.*

ssays of shipping-samples from the Emma Mine from December 4, 1871, *to February* 22, 1874.

[Ore from jiggers is marked E; ore from tyes is marked A; ore from lower works, first class, is arked S; ore from lower works, second class, is marked M. All S ore taken out prior to October 1, 73, came from the old works; that taken out since came from the slopes between No. 3 and bottom.]

Date.	Number.		Lead, per cent.	Ounces of silver per ton of ore.	Value of silver per ton of ore.
1871.					
ec. 4	1	Average, shipping sample	45	85.05	$110 56
5	2	do	48	77.76	101 08
7	3	do	40	116.64	151 04
8	4	do	50	160.38	206 89
9	5	do	40	174.96	225 69
11	6	do	40	157.80	204 02
12	7	do	37 1-2	174.96	226 24
13	8	do	37	160.36	207 32
14	9	do	41	150.66	194 78
15	10	do	43	160.40	207 36

Assays of shipping-samples from the Emma Mine, &c.—Continued.

Date.		Number.		Lead, per cent.	Ounces of silver per ton of ore.	Value of silver per ton of ore.
1871.						
Dec.	16	11	Average, shipping sample	45	191.96	$[illegible]
	18	12	do	30	167.66	[illegible]
	19	13	do	27	196.82	[illegible]
	20	14	do	34	172.52	[illegible]
	21	15	do	35	179.40	[illegible]
	22	16	do	35	165.24	[illegible]
	23	17	do	37 1-2	170.08	[illegible]
	26	18	do	31	102.04	[illegible]
	28	19	do	52 1-2	136.08	[illegible]
1872.						
Jan.	4	20	do	61	170.08	[illegible]
	5	21	do	52	174.96	[illegible]
	6	22	do	52	148.22	[illegible]
	7	23	do	53	165.24	[illegible]
	8	24	do	53	196.82	[illegible]
	9	25	do	52	228.42	[illegible]
	10	26	do	50	189.52	[illegible]
	11	27	do	42	120.86	[illegible]
	12	28	do	40	114.20	[illegible]
	13	29	do	42	126.36	[illegible]
	15	30	do	37 1-2	111.72	[illegible]
	16	31	do	46	131.22	[illegible]
	17	32	do	52 1-2	82.62	[illegible]
	18	33	do	47 1-2	106.92	[illegible]
	19	34	do	44	85.65	[illegible]
	22	35	do	38	85.04	[illegible]
	23	36	do	36	77.76	[illegible]
	24	37	do	35	58.32	[illegible]
	25	38	do	30 1-2	72.90	[illegible]
	26	39	do	36	85.03	[illegible]
	27	40	do	35	72.90	[illegible]
	29	41	do	41	119.07	[illegible]
	30	42	do	38	68.04	[illegible]
	31	43	do	35	89.91	[illegible]
Feb.	1	44	do	32 1-2	103.06	[illegible]
	2	45	do	31	68.04	[illegible]
	3	46	do	50	75.32	[illegible]
	5	47	do	35	77.76	[illegible]
	6	48	do	40	85.04	[illegible]
	10	49	do	39	77.76	[illegible]
	15	50	do	48	87.48	113
	18	51	do	43	89.90	116
	22	52	do	36	80.19	103
	25	53	do	50	97.20	125
	29	54	do	51	100.16	131
Mar.	1	55	do	43	73.32	97
	2	56	do	51	80.18	103
	3	57	do	54	82.62	106
	6	58	do	56	73.32	97
	7	59	do	40	82.62	106
	10	60	Sample of 30 sacks, second class	17	55.88	[illegible]
	13	61	Average, shipping sample	52	109.06	[illegible]
	18	62	do	53 1-2	136.08	[illegible]
	19	63	do	45	80.18	[illegible]
	20	64	do	63	92.34	[illegible]
	21	65	do	58	75.22	[illegible]
	22	66	do	52	128.78	[illegible]
	26	67	do	42	77.76	[illegible]
	27	68	do	43 1-2	75.32	[illegible]
	29	69	do	46	92.34	[illegible]
	30	70	do	46	105.80	[illegible]
April	1	71	do	43	80.18	[illegible]
	2	72	do	38	65.60	[illegible]
	3	73	do	45	94.76	[illegible]
	4	74	do	42	68.04	[illegible]
	5	75	do	46	89.90	11
	11	76	do	58	73.50	9
	16	77	do	53	75.32	9
	20	78	do	50	92.34	11
	23	79	do	46 1-2	93.55	[illegible]
	25	80	do	55	116.64	[illegible]
	26	81	do	54 1-2	97.20	[illegible]
	27	82	do	56	121.50	[illegible]

* Error

Assays of shipping-samples from the Emma Mine, &c.—Continued.

Date.		Number.		Lead, per cent.	Ounces of silver per ton of ore.	Value of silver per ton of ore.
1872.						
pril	29	83	Average, shipping sample	55	97.20	$125 66
	30	84	do	51	121.50	157 08
lay	1	85	do	53	175.96	226 18
	2	86	do	52 1-2	198.82	254 42
	3	87	do	48	184.68	238 74
	4	88	do	50	160.38	207 34
	6	89	do	58	150.66	194 78
	7	90	do	56	155.52	201 06
	8	91	do	60	126.36	163 36
	9	92	do	60	162.80	211 06
	10	93	do	71	160.38	207 34
	11	94	do	56	136.08	175 92
	13	95	do	66 1-2	138.50	179 04
	14	96	do	58	145.80	198 50
	15	97	do	57 1-2	161.59	208 90
	16	98	do	52	120.50	157 08
	17	99	do	52 1-2	170.10	219 90
	18	100	do	50	126.36	163 36
	20	101	do	47	106.92	138 24
	21	102	do	53 1-2	133.64	172 76
	22	103	do	53	211.40	273 26
	23	104	do	52 1-2	109.54	141 36
	24	105	do	46	116.64	150 80
	25	106	do	46	109.34	140 36
	27	107	do	51	77.76	100 54
	28	108	do	43	99.62	128 80
une	1	109	do	45	126.36	163 36
		110	do	38	116.64	150 80
		111	do	47	102.06	131 96
uly	22	112	do	54	138.50	179 04
ug.	10	113	do	43 3-4	103.27	133 49
	17	114	do	40 1-2	85.05	109 95
	21	115	do	67 1-2	81.40	105 53
	21	116	Average, shipping sample, whim-shaft	48 3-4	70.47	91 10
	24	117	do	41 1-4	73.50	95 03
	24	118	Average, shipping sample	40	81.40	105 53
	28	119	do	48 1-4	68.04	87 96
	28	120	Average, shipping sample, whim-shaft	43 3-4	75.33	97 39
ept.	2	121	do	43 3-4	72.90	94 25
	2	122	Average, shipping sample, ore-house	36 1-4	71.68	92 67
	5	123	do	45 3-4	83.22	107 59
	5	124	Average, shipping sample, whim-shaft	52 1-2	82.01	106 03
	9	125	do	46 1-4	86.26	111 51
	9	126	Average, shipping sample, ore-house	40 1-4	85.05	109 95
	13	127	do	43 3-4	65.61	84 82
	13	128	Average, shipping sample, whim-shaft	49	77.76	100 53
	19	129	do	44 1-2	68.04	87 96
	19	130	Average, shipping sample, ore-house	37 1-2	51.63	66 76
	23	131	do	42	72.90	94 25
	23	132	Average, shipping sample, whim-shaft	35	70.47	91 10
	27	133	Average, shipping sample, ore-house	56 1-4	66.82	86 38
	27	134	Average, shipping sample, whim-shaft	48	78.97	102 09
ct.	1	135	Average, shipping sample, ore-house	48 1-4	91.12	117 79
	1	136	Average, shipping sample, whim-shaft	43	78.97	102 09
	7	137	Shipping sample, new shaft	44	78.97	102 09
	7	138	Shipping sample, ore-house	47 1-2	68.04	87 96
	14	139	do	35	52.24	67 54
	14	140	Shipping sample, new shaft	44	69.25	89 52
	21	141	do	44	75.33	97 39
	21	142	Shipping sample, ore-house	36	64.39	83 24
	24	143	Shipping sample, new shaft	41	76.54	98 95
	24	144	Shipping sample, ore-house	40	68.04	87 96
	29	145	Shipping sample, new shaft	46	69.85	90 30
	29	146	Shipping sample, ore-house	37 1-2	66.82	86 38
ov.	3	147	Shipping sample, new shaft	41	75.33	97 39
	3	148	Shipping sample ore-house	36 3-4	63.18	81 68
	9	149	Shipping sample, new shaft	37 1-2	72.90	94 25
	9	150	Shipping sample, ore-house	38	83.83	108 37
	18	151	Average, shipping sample	42 1-2	60.75	78 54
	23	152	do	37 1-2	66.82	86 38
	25	153	Assay 6 tons, from lower level	49	107.70	220 69
	27	154	Assay second class, sample	31	51.03	65 98
	28	155	Assay 33 tons washed down from above in flood	42 1-2	114.21	147 63
ec.	1	156	Average, shipping sample	50	66.82	86 38
	3	157	do	50	64.39	83 24

Assays of shipping-samples from the Emma Mine, &c.—Continued.

Date.		Number.		Lead, per cent.	Ounces of silver per ton of ore.	Value of silver per ton of ore.
1872.						
Dec.	3	158	Average, shipping sample	41	66.82	$86 [illegible]
	7	159	.....do	41	57.10	73 [illegible]
	12	160	Shipping sample of galena	71	111.78	144 [illegible]
	12	161	230 sacks to Saint Louis	49	149.44	193 [illegible]
	13	162	Average, shipping sample	41	60.75	78 [illegible]
	17	163	Average, shipping sample of galena	69	139.72	180 [illegible]
	20	164	Average, shipping sample, balance of galena	68	143.36	185 [illegible]
	20	165	5 tons	46	130.00	168 [illegible]
	20	166	Shipping sample, ore-house	39	65.61	84 [illegible]
	26	167	.....do	52	63.18	81 [illegible]
	26	168	Shipping sample, 250 sacks	45	164.02	212 [illegible]
	26	169	Shipping sample, 570 sacks	12	87.42	113 [illegible]
1873.						
Jan.	1	170	Shipping sample, galena	46	76.54	98 [illegible]
Jan.	4	171	Average, shipping sample, 1,870 sacks	36	60.75	78 [illegible]
	4	172	Average, shipping sample, 1,545 sacks	33	72.90	94 [illegible]
	4	173	Average, shipping sample	30	52.24	67 [illegible]
	8	174	Average, shipping sample, mixed	41	66.82	86 [illegible]
	8	175	Average shipping sample	47	66.82	86 [illegible]
	9	176	.....do	40	82.62	106 [illegible]
	10	177	.....do	50	69.25	89 [illegible]
	13	178	.....do	31	58.32	75 [illegible]
	14	179	.....do	32	54.67	70 [illegible]
	15	180	.....do	41	63.18	81 [illegible]
	16	181	.....do	35	61.96	80 [illegible]
	17	182	.....do	36	55.89	72 [illegible]
	17	183	1,000 sacks	46	49.81	64 [illegible]
	17	184	Average shipping sample	36	60.75	78 [illegible]
	19	185	.....do	34	61.96	80 [illegible]
	19	186	.....do	32	60.75	78 [illegible]
	21	187	.....do	37	55.89	72 [illegible]
	23	188	.....do	32	59.53	76 [illegible]
	29	189	.....do	34 1-2	55.89	72 [illegible]
Feb.	6	190	.....do	30	59.53	76 [illegible]
	17	191	.....do	37 1-2	59.53	76 [illegible]
	19	192	Average, shipping sample, 1,000 sacks	38 1-4	51.03	65 [illegible]
	21	193	Average, shipping sample, 1,750 sacks	42	54.67	70 [illegible]
	24	194	.....do	32 1-2	51.03	65 [illegible]
	25	195	Average, shipping sample, 450 sacks	27	63.18	81 [illegible]
	26	196	Average, shipping sample, 1,053 sacks	36 3-4	58.32	75 [illegible]
Mar.	1	197	Average, shipping sample, 1,175 sacks	34 1-2	63.18	81 [illegible]
	4	198	Average, shipping sample, 650 sacks	31	46.17	59 [illegible]
	4	199	Average, shipping sample, 1,400 sacks	32 1-2	51.03	65 [illegible]
	5	200	Average, shipping sample, 1,000 sacks	33	48.60	62 [illegible]
	6	201	.....do	38 1-4	53.46	69 [illegible]
	6	202	Average, shipping sample, 1,050 sacks	39 1-2	55.89	72 [illegible]
	10	203	Average, shipping sample, 1,525 sacks	38	58.32	75 [illegible]
	12	204	Average, shipping sample, 1,700 sacks	31 1-4	53.46	69 [illegible]
	15	205	Average, shipping sample, 2,725 sacks	39	54.69	70 [illegible]
	19	206	Average, shipping sample, 1,872 sacks	37	49.81	64 [illegible]
	21	207	Average, shipping sample, 1,475 sacks	37 1-2	51.03	65 [illegible]
	29	208	Average, shipping sample, 2,650 sacks	34	47.38	61 [illegible]
April	1	209	Average, shipping sample, 1,475 sacks	39 1-4	55.89	72 [illegible]
	4	210	Average, shipping sample, 2,000 sacks	36	60.75	78 [illegible]
	19	211	Average, shipping sample, 4,255 sacks	30	49.81	64 [illegible]
	29	212	Average, shipping sample, 2,850 sacks	30 1-4	51.03	65 [illegible]
May	7	213	Average, shipping sample, 1,250 sacks	20	51.03	65 [illegible]
	21	214	Second class, 65 sacks	26	78.97	102 [illegible]
	22	215	Second class, 39 sacks	50	157.95	204 [illegible]
	22	216	Average, shipping sample, 1,997 sacks	23 1-2	51.03	65 [illegible]
	31	217	Average, shipping sample, 807 sacks	40	105.70	136 [illegible]
June	5	218	Average, shipping sample, 450 sacks	38	190.75	246 [illegible]
	8	219	Average, shipping sample, 1,428 sacks	40	102.06	131 [illegible]
	8	220	.....	36	116.64	150 [illegible]
	16	220	Average, shipping sample, 32 tons	76	119.07	153 [illegible]
	16	221	Average, shipping sample, mixed, 29 tons	40	72.90	94 [illegible]
	16	222	.....do	37 1-2	82.62	106 [illegible]
	16	223	Average, shipping sample, jigger, E, 4 tons	49 1-4	140.93	182 [illegible]
	16	224	Average, shipping sample, tye, A, 8 tons	35	46.17	59 [illegible]
	22	225	Average, shipping sample, tye, A, 8½ tons	38 1-3	51.03	65 [illegible]
	22	226	Average, shipping sample, jigger, E, 2½ tons	56	193.40	251 [illegible]
	22	227	Average, shipping sample, galena, 18½ tons	45	72.90	94 [illegible]
	22	228	Average, shipping sample, mixed, 25¾ tons	60	112.06	131 [illegible]
	22	229	Average, shipping sample, sacked in mine, 13 tons	51	2[illegible].13	2[illegible] [illegible]
	22	230	Average, shipping sample, S ore, 181 sacks	59	511.51	661 [illegible]

Assays of shipping-samples from the Emma Mine, &c.—Continued.

Date.	Number.		Lead, per cent.	Ounces of silver per ton of ore.	Value of silver per ton of ore.
1873.					
June 30	231	Average, shipping sample, A, tye, 16 tons	42 1-4	55.89	$72 26
	232	Average, shipping sample, E, jigger, 7 tons	56	204.12	263 89
	233	Average, shipping sample, ore-house, 35 tons	47	80.19	103 65
July 8	234	Average, shipping sample, ore-house, 34 tons	44	85.05	109 95
	235	Average, shipping sample, A, 20 tons	38	48.60	62 83
	236	Average, shipping sample, E, 4½ tons	58 1-2	206.55	267 03
	237	Average, shipping sample, S, 8½ tons	62 1-2	413.10	534 09
July 14	238	Average, shipping sample, E, 5¼ tons	56 2-3	186.68	238 68
14	239	Average, shipping sample, A, 22½ tons	37	60.75	78 54
	240	Average, shipping sample, ore-house, 37½ tons	46 2-3	72.00	94 25
21	241	Average, shipping sample, A, 43 tons	36	51.03	65 98
21	242	Average, shipping sample, ore-house, 57 tons	46	80 19	103 67
21	243	Average, shipping sample, ore-house, 5 tons	35	183.46	237 18
	244	Average, shipping sample, S, 5 tons	69 1-2	619.56	801 15
	245	Average, shipping sample, 5 tons	50	85.05	109 95
	246	Average, shipping sample, E, 10 tons	55	162.81	210 69
28	247	Average, shipping sample, S, 6½ tons	52 1-2	425.25	549 80
	248	Average, shipping sample, A, 42 tons	42	49.00	63 36
	249	Average, shipping sample, E, 10 tons	58 1-3	189.34	245 03
	250	Average, shipping sample, ore-house, 57 tons	45	87.48	113 09
Aug. 4	251	Average, shipping sample, A, 41½ tons	42 1-4	67.96	87 73
	252	Average, shipping sample, E, 12 tons	57 1-2	193.18	247 85
	253	Average, shipping sample, ore-house, 33½ tons	44 1-8	112.99	146 05
10	254	Average, shipping sample, A, 37 tons	41 2-3	48.60	62 83
	255	Average, shipping sample, E, 10 tons	56 2-3	194.40	251 33
	256	Average, shipping sample, ore-house	36 2-3	54.67	70 62
19	257	Average, shipping sample, A, 43 tons	38 1-3	49.81	64 40
	258	Average, shipping sample, E, 13 tons	55	243.00	314 17
	259	Average, shipping sample, ore-house, 61 tons	46 2-3	99.63	128 79
24	260	Average, shipping sample, A, 29½ tons	43	60.75	78 54
	261	Average, shipping sample, ore-house, 65 tons	50	119.07	153 91
	262	Average, shipping sample, E, 11½ tons	62 1-2	287.95	372 28
31	963	Average, shipping sample, A, 46½ tons	50	60.75	78 50
31	264	Average, shipping sample, E, 12½ tons	61	232.06	299 88
	265	Average, shipping sample, ore-house, 49½ tons	42 1-2	116.64	150 77
Sept. 7	266	Average, shipping sample, A, 58½ tons	48	65.61	84 82
	267	Average, shipping sample, E, 12½ tons	57 1-2	233.28	301 57
	268	Average, shipping sample, ore-house, 55¾ tons	36 2-3	111.78	144 49
14	269	Average, shipping sample, A, 69 tons	46	60.75	78 54
	270	Average, shipping sample, E, 10½ tons	60	213.84	276 45
	271	Average, shipping sample, ore-house, 33 tons	44	87.48	113 09
21	272	Average, shipping sample, A, 66 tons	44	65.61	84 82
	273	Average, shipping sample, E, 14½ tons	62 1-2	201.69	260 67
	274	Average, shipping sample, ore-house, 39 tons	47 1-2	60.75	78 54
28	275	Average, shipping sample, A, 86 tons	46 2-3	55.89	72 26
	276	Average, shipping sample, ore-house, 41 tons	43 1-3	87.48	113 09
	277	Average, shipping sample, E, 10 tons	59	213.84	276 45
	278	Average, shipping sample, S, 12 tons	48	516.08	666 05
Oct. 5	279	Average, shipping sample, E, 8 tons	65	149.66	194 78
	280	Average, shipping sample, ore-house, 71 tons	45	80.19	103 67
	281	Average, shipping sample, A, 63 tons	42 1-2	60.75	78 54
12	282	Average, shipping sample, E, 7¾ tons	56 2-3	138.51	179 07
12	283	Average, shipping sample, A, 75½ tons	38 1-3	43.74	56 56
	284	Average, shipping sample, ore-house, 126¾ tons	46	77.76	100 53
19	285	Average, shipping sample, A, 37½ tons	46 2-3	57.10	73 82
19	286	Average, shipping sample, ore-house, 66½ tons	52 1-2	77.76	100 53
	287	Average, shipping sample, E, 6½ tons	60	227.20	293 71
27	288	Average, shipping sample, A, 16¾ tons	56	63.18	81 68
27	289	Average, shipping sample, ore-house, 63 tons	43 2-3	76.54	98 95
	290	Average, shipping sample, E, 10½ tons	60	208.98	270 17
Nov. 2	291	Average, shipping sample, A, 33 tons	50	53.46	69 12
	292	Average, shipping sample, E, 10½ tons	41	102.06	131 93
	293	Average, shipping sample, ore-house, 78 tons	46	78.97	102 09
9	294	Average, shipping sample, A, 36 tons	50	49.81	64 40
	295	Average, shipping sample, E, 12 tons	55	154.30	199 49
	296	Average, shipping sample, ore-house, 57½ tons	46 2-3	77.76	100 53
16	297	Average, shipping sample, E, 10 tons	51	169.10	219 91
	298	Average, shipping sample, A, 39½ tons	46	43.74	56 56
	299	Average, shipping sample, ore-house, 51½ tons	47	60.75	78 54
23	300	Average, shipping sample, E, 7¾ tons	51 2-3	130.10	168 06
	301	Average, shipping sample, A, 15 tons	39 1-6	41.31	53 41
	302	Average, shipping sample, ore-house, 62 tons	41 2-3	49.81	64 40
30	303	Average, shipping sample, A, 10¾ tons	39 2-3	58.32	175 40
	304	Average, shipping sample, E, 7½ tons	55	172.53	223 06
	305	Average, shipping sample, ore-house, 33 tons	39 1-3	68.21	88 18

Assays of shipping-samples from the Emma Mine, &c.—Continued.

Date.	Number.		Lead, per cent.	Ounces of silver per ton of ore.	Value of silver per ton of ore.
1873.					
Dec. 7	306	Average, shipping sample, ore-house, 33 tons	37 1-3	78.04	[illegible]
	307	Average, shipping sample, E, 6½ tons	54 1-6	195.65	[illegible]
14	308	Average, shipping sample, ore-house, 41½ tons	40	114.69	[illegible]
	309	Average, shipping sample, E, 2 tons	52 1-2	145.80	[illegible]
21	310	Average, shipping sample, ore-house, 18 tons	41 1-3	125.59	[illegible]
	311	Average, shipping sample, E, 5 tons	56	201.69	[illegible]
	312	Average, shipping sample, S, 5 tons	27 1-2	660.96	[illegible]
	313	Average, shipping sample, M, 28 tons	13 1-3	290.38	[illegible]
28	314	Average, shipping sample, M, 18 tons	19	329.82	[illegible]
	315	Average, shipping sample, E, 4½ tons	56 1-3	153.09	[illegible]
	316	Average, shipping sample, ore-house, 27 tons	44	147.39	[illegible]
	317	Average, shipping sample, S, 7½ tons	35 1-2	722.77	[illegible]
1874.					
Jan. 4	318	Average, shipping sample, ore-house, 23½ tons	44 1-2	164.51	[illegible]
	319	Average, shipping sample, M, 14½ tons	12	336.00	[illegible]
	320	Average, shipping sample, E, 4 tons	58 1-4	174.96	[illegible]
11	321	Average, shipping sample, ore-house, 18 tons	40 1-4	79.38	[illegible]
	322	Average, shipping sample, M, 15 tons	15	249.07	[illegible]
	323	Average, shipping sample, S, 7½ tons	35	765.45	[illegible]
	324	Average, shipping sample, E, 5 tons	57	194.40	[illegible]
18	325	Average, shipping sample, ore-house, 14 tons	39 1-6	177.39	[illegible]
	326	Average, shipping sample, E, 3 tons	56 2-3	195.61	[illegible]
	327	Average, shipping sample, M, 26½ tons	14	145.80	[illegible]
	328	Average, shipping sample, S, 5½ tons	38 1-2	663.39	[illegible]
Feb. 1	329	Average, shipping sample, M, 27½ tons	14	198.04	[illegible]
Jan. 25	330	Average, shipping sample, M, 42 tons	14 1-6	210.19	[illegible]
	331	Average, shipping sample, ore-house, 19 tons	33 1-3	61.96	[illegible]
Feb. 1	332	Average, shipping sample, E, 3 tons	57 1-2	136.08	[illegible]
	333	Average, shipping sample, ore-house, 15½ tons	34 1-6	63.18	[illegible]
	334	Average, shipping sample, hand-sorted, 1½ tons	62 1-2	183.46	[illegible]
8	335	Average, shipping sample, ore-house, 8½ tons	34	163.34	[illegible]
	336	Average, shipping sample, M, 15 tons	20	235.71	[illegible]
	337	Average, shipping sample, S, 8½ tons	37 1-2	587.31	[illegible]
16	338	Average, shipping sample, M, 29 tons	16 2-3	269.73	[illegible]
	339	Average, shipping sample, ore-house, 12 tons	46 2-3	99.63	[illegible]
22	340	Average, shipping sample, ore-house, 19 tons	22	74.11	[illegible]
	341	Average, shipping sample, M, 18 tons	21 2-3	393.19	[illegible]

Assays of shipping-samples, new book.

Date.	Number.		Lead, per cent.	Ounces of silver per ton of ore.	Value of silver per ton of ore.
1873.					
Oct. 27	1	Sample, 16¾ tons, A	56	63.18	[illegible]
27	2	Sample, 63 tons, ore H	43 1-3	76.54	[illegible]
27	3	Sample, 10½ tons, E	60	208.98	[illegible]
Nov. 2	4	Sample, 33 tons, A	50	53.46	[illegible]
2	5	Sample, 10½ tons, E	41	102.06	[illegible]
2	6	Sample, 78 tons, ore H	46	78.97	[illegible]
9	7	Sample, 36 tons, A	50	49.81	[illegible]
9	8	Sample, 12 tons, E	55	154.30	[illegible]
9	9	Sample, 57½ tons, ore H	46 2-3	77.76	[illegible]
16	10	Sample, 10 tons, E	51	169.10	[illegible]
16	11	Sample, 39½ tons, A	46	43.74	[illegible]
16	12	Sample, 51½ tons, ore H	47	60.75	[illegible]
23	13	Sample, 7¾ tons, E	51 2-3	130.10	[illegible]
23	14	Sample, 15 tons, A	39 1-6	41.31	[illegible]
23	15	Sample, 62 tons, ore H	41 2-3	49.81	[illegible]
30	16	Sample, 10¾ tons, A	39 2-3	58.32	[illegible]
30	17	Sample, 7½ tons, E	55	172.53	[illegible]
30	18	Sample, 33 tons, ore H	39 1-3	68.21	[illegible]
Dec. 7	19	.....do	37 1-3	78.04	[illegible]
7	20	Sample, 6½ tons, E	54 1-6	195.65	[illegible]
14	21	Sample, 41½ tons, ore H	40	114.69	[illegible]
14	22	Sample, 2 tons, E	52 1-2	145.80	[illegible]

Assays of shipping-samples, new book—Continued.

Date.		Number.		Lead, per cent.	Ounces of silver per ton of ore.	Value of silver per ton of ore.
1873.						
ec.	21	23	Sample, 18 tons, ore H	41 1-3	125.59	$164 29
	21	24	Sample, 5 tons, E	56	201.69	260 75
	21	25	Sample, 5 tons, S	27 1-2	660.96	854 56
	21	26	Sample, 28 tons, M	13 1-3	290.38	375 43
	28	27	Sample, 18 tons, M	19	329.82	426 39
	28	28	Sample, 4½ tons, E	56 1-3	153.09	197 91
	28	29	Sample, 27 tons, ore H	44	147.39	190 73
	28	30	Sample, 7¼ tons, S	35 1-2	722.77	934 42
1874.						
an.	4	31	Sample, 23½ tons, ore H	44 1-2	164.51	212 68
	4	32	Sample, 14½ tons, M	12	336.00	434 40
	4	33	Sample, 4 tons, E	58 1-4	174.96	226 20
	11	34	Sample, 18 tons, ordinary	40 1-4	79.38	104 53
	11	35	Sample, 15 tons, M	15	249.07	322 02
	11	36	Sample, 7½ tons, S	35	765.45	989 63
	11	37	Sample, 5 tons, E	57	194.40	251 33
	18	38	Sample, 14 tons, ordinary	39 1-6	177.39	229 34
	18	39	Sample, 3 tons, E	56 2-3	195.61	252 89
	18	40	Sample, 26½ tons, M	14	145.80	188 50
	18	41	Sample, 5½ tons, S	38 1-2	663.39	857 60
	25	42	Sample, 42 tons, M	14 1-6	210.19	271 75
	25	43	Sample, 19 tons, ordinary	33 1-3	61.96	80 10
eb.	1	44	Sample, 27½ tons, M	14	198.04	256 03
	1	45	Sample, 3 tons, E	57 1-2	136.08	175 93
	1	46	Sample, 15½ tons, ordinary	34 1-6	63.18	81 68
	1	47	Sample, 1½ tons, (hand-sorted)	62 1-2	183.46	237 18
	8	48	Sample, 8¾ tons, ordinary	34	163.34	216 55
	8	49	Sample, 15 tons, M	20	235.71	304 71
	8	50	Sample, 8¼ tons, S	37 1-2	527.31	681 76
	16	51	Sample, 29 tons, M	16 2-3	269.73	348 73
	16	52	Sample, 12 tons, ordinary	46 2-3	99.63	128 79
	22	53	Sample, 19 tons, ordinary	22	74.11	95 81
	22	54	Sample, 18 tons, M	21 2-3	323.19	417 84
ar.	1	55	Sample, 28 tons, M	20 1-2	279.84	361 76
	1	56	Sample, 18 tons, ordinary	28	89.91	116 23
	8	57	Sample, 14 tons, ordinary	30	94.77	122 51
	8	58	Sample, 28½ tons, M	18 3-4	365.57	472 66
	15	59	Sample, 27 tons, M	18 1-2	332.89	430 29
	15	60	Sample, 13 tons, ordinary	33 1-3	102.06	131 93
	22	61	Sample, 37½ tons, M	14 1-3	244.20	315 92
	22	62	Sample, 8½ tons, ordinary	40	53.46	69 12
	29	63	Sample, 40 tons, M	13 1-4	261.25	337 72
	29	64	Sample, 3 tons, ordinary	38 1-2	48.60	62 83
pr.	5	65	Sample, 24 tons, M	16	212.11	274 22
	5	66	Sample, 3 tons, ordinary	32	416.17	59 69
	12	67	Sample, 24 tons, M	17	143.07	184 95
	19	68	Sample, 26½ tons, M	21 1-4	172.00	222 22
	19	69	Sample, 7 tons, ordinary	34	55.89	72 26
	26	70	Sample, 12 tons, M	18	148.23	191 63
	26	71	Sample, 13 tons, M	13	116.64	150 77
ay	3	72	Sample, 11 tons, M	10	61.94	80 10
	3	73	Sample, 6½ tons, M	11	69.25	89 52
	10	74	Sample, 72 tons, ordinary	41 2-3	63.18	81 68
	17	75	Sample, 10 tons, ordinary	34 1-3	72.90	94 24
	17	76	Sample, 7 tons ordinary	34	114.21	147 63
	17	77	Sample, 5 tons, ordinary	33	133.65	172 79
	24	78	Sample, 2 tons, ordinary	48	92.34	119 37
	24	79	.....do	49	286.74	370 73
	31	80	Sample, 4 tons, ordinary	42	183.46	237 18
	31	81	Sample, 66 tons, A	39	52.24	67 54
ne	7	82	Sample, 4½ tons, ordinary	44	134.89	174 35
	7	83	Sample, 4½ tons, E	67 1-2	170.10	219 83
	7	84	Sample, 65 tons, A	40 1-2	48.60	62 83
	14	85	Sample, 6 tons, S	47	230.85	298 43
	14	86	Sample, 7 tons, S	51	269.73	348 73
	14	87	Sample, 3 tons, ordinary	43	157.62	204 90
	14	88	Sample, 7½ tons, E	53	189.54	245 04
	14	89	Sample, 51 tons, A	46	52.24	67 54
	21	90	Sample, 2½ tons, S	51 1-2	267.30	345 59
	21	91	Sample, 3¾ tons, S	46 2-3	340.20	439 85
	21	92	Sample, 2 tons, ordinary	39	71.68	92 67
	21	93	Sample, 11 tons, E	48 3-4	170.10	219 91
	21	94	Sample, 63 tons, A	46 2-3	58.32	75 40
	28	95	Sample, 12 tons, E	53 1-3	121.50	157 08
	28	96	Sample, 70 tons, A	43	41.31	53 41

Assays of shipping-samples, new book—Continued.

Date.		Number.		Lead, per cent.	Ounces of silver per ton of ore.	Value of silver per ton of ore.
1874.						
July	6	97	Sample, 37 tons, A	47 11-12	47.38	[illegible]
	6	98	Sample, 11 tons, E	44 1-6	150.66	[illegible]
	12	99	Sample, 14 tons, E	43 3-4	162.81	[illegible]
	12	100	Sample, 37 tons, A	47 5-6	49.81	[illegible]
	12	101	Sample, 4 tons, ordinary	50 5-6	115.42	[illegible]
	12	102	Sample, 1 9-20 tons, S	55 2-3	239.35	[illegible]
	19	103	Sample, 49 tons, A	40 5-6	48.60	[illegible]
	19	104	Sample, 18½ tons, E	45	128.79	[illegible]
	26	105	Sample, 23¾ tons, E	30	128.79	[illegible]
	26	106	Sample, 46 tons, A	42	48.60	[illegible]
Aug.	2	107	Sample, 24½ tons, E	43 3-4	133.65	[illegible]
	2	108	Sample, 37½ tons, A	38 1-3	58.32	[illegible]
	9	109	Sample, 30 tons, E	47 2-3	167.26	[illegible]
	9	110	Sample, 34½ tons, A	41 2-3	63.18	[illegible]
	16	111	Sample, 28½ tons, E	35 1-2	142.04	[illegible]
	16	112	Sample, 30¾ tons, A	46 1-6	63.18	[illegible]
	16	113	Sample, 2½ tons, ordinary	50	194.40	[illegible]
	23	114	Sample, 31 tons, A	40 7-8	61.96	[illegible]
	23	115	Sample, 2½ tons, ordinary	51 1-4	133.65	[illegible]
	23	116	Sample, 27 tons, E	42 1-3	159.66	[illegible]
	30	117	Sample, 31½ tons, E	40 1-2	119.07	[illegible]
	30	118	Sample, 37½ tons, A	39 1-2	59.53	[illegible]
	30	119	Sample, 3 tons, E, E, (hand-sorted)	43 1-3	123.93	[illegible]
Sept.	6	120	Sample, 35½ tons, E	33 3-4	114.21	[illegible]
	6	121	Sample, 43 tons, A	40	60.75	[illegible]
	6	122	Sample, 5½ tons, E, E	60 1-3	187.11	[illegible]
	13	123	Sample, 39 tons, E	40	126.36	[illegible]
	13	124	Sample, 37 tons, A	39 3-4	64.39	[illegible]
	13	125	Sample, 4¾ tons, E, E	54 1-6	153.09	[illegible]

Q. Look at this copy, [handing a copy in Mr. Park's handwriting of Mr. Schenck's resignation :] at the top of that copy you find in pencil-mark the word "Inclosure."—A. Yes.

Q. Is that word in your handwriting?—A. No, sir.

Q. You swear that?—A. Most distinctly. There is a little memorandum in pencil also, "Min.;" that is not in my handwriting; and there are a few figures on the paper in pencil also, not in my handwriting. There are also a few words in pencil on the back, "Received from Allen." Those are not in my handwriting.

Q. Now you renew your statement that you did not see General Schenck's letter of resignation before it was sent in?—A. No, sir; I did not state that.

Q. Well, did you or did you not see this letter of resignation of General Schenck before it was sent in?—A. I do not know whether I saw it or not. I know that I had a conversation with him about it, but whether I saw his letter or not at the time it was sent in, or before it was sent in, I do not know. General Schenck thinks it was sent in by me, but I do not know about that. The first I saw of that letter when it was completed was in the hands of Mr. Anderson, when it was read to the directors. But General Schenck may be right that he gave it to me to send in, though I have no recollection of it. I have a recollection of talking with General Schenck about the letter, and of talking of what the letter should be—that is, that the resignation should be put upon the true ground—that he resigned from the company by reason of the criticisms that were made upon his action in becoming a director, and not upon the ground of his dissatisfaction with the property or his want of faith in it.

Q. Did he show you the original draught of his letter?—A. He may have done so, but I do not remember it.

Q. Did you send him back this copy after seeing the draught?—A. If you will let me answer the first question first I should prefer.

Q. I have no objection, if we can get an answer. It will save time if you will say yes or no.—A. I cannot answer that yes or no. General Schenck has shown you a draught which he made, and the letter that he afterward made from that draught. I think I saw one of them, perhaps both of them. I think I saw one of them, because General Schenck states that, as to one of them, when I saw the statement that he proposed to retain his shares, I said: "General, you do not want to commit yourself to that; you may want to sell them. It will be sufficient for you to say 'which you now hold.'" I made that suggestion, and from that fact I may have seen the draught, and it is possible I saw the other, and even possible that I took it to the board. But that I dictated a word of it, except that it should be upon the true ground of the reason for his resignation, so that it should not injure the company, or cast suspicion upon it, and making the suggestion that he should not bind himself to hold the stock, has no foundation whatever.

Q. You have no recollection of having made those interlineations?—A. No, sir. I have no recollection of writing the letter.

Q. You cannot account, then, for the difference in the ink?—A. No, sir.

Q. You have testified that the word "inclosure" is not in your handwriting?—A. I have testified to that.

Q. Will you look at the manner in which the "n" is carried up into the "c" there?—A. Yes, I observe it.

Q. You observe that it is very peculiar?—A. [After looking at it.] Yes.

Q. Observe that where any other letter in that paper is carried up into a "c," the same peculiarity occurs?—A. I know that that word "Inclosure" is not my handwriting. I never made such a letter as that "I" in the word "Inclosure" in my life, and no man can find any such letter.

By Mr. WILLIAMS:

Q. Did you state that these interlineations were in your handwriting?—A. Yes.

Q. I desire to call your attention to the formation of that letter "G" in the word "Gentlemen," and the letter "g" in the word "gentlemen" in General Schenck's letter; do you not observe that in the one there is a formation of the letter "G" which is identical with the letter "g" in the other?—A. But this is a capital letter, and that "G" is what I particularly recollect.

Q. Is there not more of a similarity between that "G" and the "G" in General Schenck's original, than there is with your handwriting?—A. No, sir, I think not.

Q. Here is a letter "g" in your handwriting, [indicating the letter "g" in the word "mining" in the copy.]—A. Yes, but that is a small "g" instead of a capital. I recognize that letter in the word "Gentlemen" in my copy, because it is my capital "G."

By Mr. HEWITT:

Q. You testified that Mr. Fisher called for you at Coates & Hankey's?—A. No, sir; I met Mr. Coates first at Mr. Fisher's office, and afterward I was at Coates & Hankey's office.

Q. Did you consider that you made any compensation to Mr. Fisher for his services in connection with the Emma Mine?—A. No; he got his pay from Coates & Hankey.

Q. Did you look out for him to see that he got his pay?—A. He told me that Coates & Hankey were to divide with him whatever they got in this matter. He said that he went to see them about it, and they gave him no satisfaction, and he wanted to know from me if I could find out what Coates received. I asked Mr. Grant about it, and told him my reasons. I said, "You can tell me or not, just as you please, what you paid Coates. Fisher says that Coates agreed to pay him a portion of it, and whatever answer you give me I shall communicate to Fisher." He told me that he had paid Coates £10,000, and that he had agreed to give Coates & Hankey a small percentage on subscriptions or applications for stock that they might procure. That on a later occasion they had made quite a claim against them which they could not allow, but they paid £10,000. I communicated that to Fisher. Fisher afterward told me that whatever they got was to be divided between Coates, Hankey and Fisher, and Fisher told me that he had received one-third, being £3,333 6*s.* 8*d.*

Mr. HEWITT. The committee has decided, Mr. Park, that you should answer Mr. Springer's question. The question was, What amount of profit you and your associates made by the sale of the Emma Mine in London? It is proper that I should say to you, also, that the committee has decided that, in case you did not answer the question, they would not report you to the House for contempt.

The WITNESS. I wish to say that I have answered, to the best of my ability, every question and stated every fact within my knowledge that bears upon General Schenck's connection with the Emma Mining Company, directly or indirectly. I have stated the amount paid or disbursed in making a sale, and I am willing to answer any question in regard to these matters that any member of the committee may propound, and to produce any books or papers or memoranda in my possession that relate to them. I could not make up a statement of the receipts and disbursements in the purchase and sale of the mine from the commencement to the end without betraying the business secrets of other parties, as well as myself, which I have no right to betray. There is nothing on any book of mine, and I have got with me all my books for the last fifteen years, to which any member of this committee is not at perfect liberty to refer, and which they are not at liberty to examine; but I have no right to put in evidence those books or memoranda, because they concern the business secrets and relations of others as well as myself. I was asked to produce to the committee the account of Grant Brothers, or Baron Grant, by Mr. Springer, in this same question. That account embraces every transaction, to the amount of a penny, in the sale of this mine, with Grant Brothers, even down to a subscription that I made to a benevolent institution, and which was charged to me in the account. To show that there was nothing to keep back in that, I gave the account in full to Mr. Hewitt, and proposed to him, if he desired to do so, that he might take it home to New York, and I passed it around to different members of the committee, and they examined it. A suit has been commenced against Mr. Grant, in England, in this matter, and therefore I decline to have that go on the record of this committee, to furnish evidence to be used in a litigation in England; but I am willing that any gentlemen of the committee shall see it and examine it for themselves. Mr. Packer and others have examined it already, and they are welcome to examine it again.

Mr. PACKER. I only examined the account-current with Grant, with reference to a few items mentioned by the witness in his examination-in-chief.

The WITNESS. On account of this litigation in England I am not willing that the contents of the paper shall go upon this record. I do not feel at liberty to do it; therefore I decline to answer the question as to what profits were made by myself and my associates in the purchase and sale of the Emma Mine any further than can be gleaned from the facts already stated; but I do not decline to answer any question as to any items or any persons in connection with the mine, or the sale of it, that come within the purview of this investigation, and am willing to answer as to anything that may be desired which will not require me to disclose what I have no right to disclose of other people's business. I say further, that my books and papers are at the disposal of any member of this committee, or of all of them, for their own examination, but not to be put in evidence, and I will then allow myself to be examined as to any items that they may find, taking their word that, of course, my books shall not be put in evidence to the injury of any one else.

By Mr. HEWITT:

Q. What was the date of that account-current with Grant?—A. It opens on the 13th of November, 1871, and closed May 6, 1872.

Q. Had you not a previous account-current rendered by Grant?—A. No, sir; I think that Mr. Grant rendered me an account which I returned to him when he made this up; that is, embracing everything—every transaction I had with Mr. Grant was embraced in this account.

Q. That account is made up upon a theory of settlement different from your original contract?—A. Yes.

Q. You say the original contract was modified?—A. Yes.

Q. Was it modified between the delivery of the prior account to you and the delivery of this?—A. I do not think that the prior account was anything more than a portion of this. I do not think it differed from this. My recollection is that I returned him that, and then had an account made out afterward.

Q. I ask you whether you modified your contract between the date of the delivery of the prior account and the date of this?—A. I should think it was modified before that—before any account was rendered.

Q. Did not the prior account show the profits on the sale of the reserve stock and credit you with one-half of it; in other words, was it not made up on a different basis from this account?—A. I should think not. My impression is, or my impression was until I saw this, that when I modified that contract Mr. Grant was to have a portion of these first profits, beyond £20 par; but it appears from this account that he has charged me with £1 a share, and credited me with the amount received, which would be less than one-half the premium obtained from the shares.

Q. Do you not remember an account in which he rendered an account-sales of 18,005 shares of the reserve stock at a profit of £56,967 sterling?—A. I do not remember; it may have been so.

Q. The intimation furnished to the committee is that the account-current shows the sale of 18,005 shares of reserve stock at £56,967 profit, the half of which would be very much more than a pound a share. I want you to explain, if you can, to the committee how or for what reason this change was made, because Mr. Grant was not a man likely to give up the difference between £18,000 and £28,000.—A. I can only answer that by saying that that is not the only account I had,

and I had not looked at this until I came before the investigating committee for four years and over. My impression had been, until I saw this, that he was to have a portion of the profits, but this account shows very clearly, as you see, and it is the only account I have got, and I settled on that.

Q. Will you be good enough to tell me where the stocks are which you received from General Schenck; in whose possession are they?—A. In Mr. Gager's possession.

Q. Are you willing to state to the committee the terms upon which you delivered those to Mr. Gager?—A. I delivered them to him for safe keeping.

Q. But I mean with any directions as to their disposition. What directions, if any, as to their disposition did you give Mr. Gager? I will say to you, however, that if you do not see fit to answer the question, I shall not press you.—A. I deposited those with Mr. Gager, to be returned to me on my order, and not to be opened. They were in a sealed package, and I gave directions to him to meet the contingency of my death, which directions were entirely private and known to no one else, not even to General Schenck, and he would be as much surprised as any one if he heard them. I had them all brought on here in a package, and offered to produce them before the committee, and you said you did not want to see them. They were then sealed up and sent back again to Mr. Gager. I decline to state what those directions were unless I am required by the committee.

After consultation, Mr. Hewitt announced as the decision of the committee that the witness was not required to answer the question.

The WITNESS. I am obliged to the committee; but I want to say to the committee that the paper is in the nature of a will, and is something entirely unknown to General Schenck, and is subject to revocation. It was a communication that was to be made to my family in case of my death. It was one of those strictly private matters which no one had the right to inquire into, because, as I say, it was subject to revocation if I should change my mind. General Schenck has no knowledge of it to the present time, and is no party to it, directly or indirectly.

Mr. BANKS. General Schenck might have known it by hearsay?

The WITNESS. Mr. Gager might have betrayed his trust; but he never did. It was all done of my own will, after the note was given and the securities were handed over, and this is the first time that General Schenck has heard anything of it.

Mr. HEWITT. The committee also instructed me to submit these two letters of Fisher's (written to Mr. Duncan) to General Schenck and his counsel, to know whether they desire to put them in evidence. The committee is perfectly willing to have them put in.

Mr. Chittenden declined to have the letters come in.

Mr. SCHENCK. Mr. McDougal, in his telegram of the 27th of March to the chairman of this committee, says: "In confirmation of Lyon's evidence, I have the original draught of Schenck's letter of resignation in Park's handwriting." The paper that has been produced here in Mr. Park's handwriting, signature and all, with the exception of a doubt entertained in regard to the two words "gentlemen" and "fullest," is not the original draught of my letter of resignation; and any statement that it is such is false. The only original draught of my resignation of which I have any knowledge or remembrance, or in the existence of which I have any belief, is the one that was produced here in my testimony as originally given here; and the letter of resignation which is

handed me this morning, altogether in my own handwriting, and which appears by the indorsement to be the original resignation, from the files of the company, is the original letter of my resignation, as I sent it in, and corresponds with my rough draught, with the exception of its being extended, in being written out, by the insertion of another sentence, and with some slight modifications in the language; and it is the only original resignation communicated by me to the company. It is my own composition, for which, in all its parts, I am myself responsible.

Mr. SPRINGER. Look at this letter handed to you, addressed by you to Fisher, and state whether it is a genuine letter.

Mr. SCHENCK, (after examining it.) It is.

Mr. SPRINGER. I propose to put that letter in evidence.

Mr. CHITTENDEN. I object to the introduction of the letter, because it was improperly obtained.

By Mr. SPRINGER:

Q. This is not dated at any place; where was it written?—A. I do not remember.

Q. Its date is October 2, 1872; do you know where you were then?—A. I do not remember.

Q. You were going into the country—you were in London?—A. I do not know whether I was in London or in the country.

The letter is as follows:

WEDNESDAY, *October* 2, 1872.

MY DEAR MR FISHER: I am just off to the country. On Sunday I will expect to see you by 12 o'clock or sooner with the certificate of the five hundred and all closed. I am under promise to settle with Gager. If you were at home this week you might close out with good profit. Shares were twenty-seven yesterday. Perhaps you are here; if in Paris, you ought to get back at once and in time to strike.

Yours, in haste,

ROBERT C. SCHENCK.

The WITNESS. I will explain. That is one of the letters plundered from the private papers of this dead man, Mr. Fisher. I have no objection to the committee using it. The explanation of it is simply this, and that explanation has already in good part been given. Mr. Gager, as you remember, in his testimony stated that he let me have two certificates of 500 shares each, to be used in case I had to put up more security with McCulloch & Co., (I do not know now whether it was Jay Cooke, McCulloch & Co. at that time or not,) who were carrying my 500 shares for me. I did not have any occasion to use those certificates, but handed them back to Mr. Gager. In the meantime, however, Mr. Fisher obtained from me upon application one of the certificates; I think perhaps to show somebody that he had some stock, or could control stock, (I do not know what purpose he had in view,) and held it for a little while; but I told him to return it to me; that I must have the certificate back, because I was going to settle with Mr. Gager; that I was going to hand back to Mr. Gager the two certificates I had received from him. The advice to "strike" and all that sort of thing denotes no sort of connection between him and me as to any operations we had together in any way, but was a friendly suggestion to him, because he was complaining, perhaps, that he was not making money by his operations. I knew him very well, and knew that he had been operating in stocks there for Mr. Park or on his own account.

Q. What did you understand by saying, "get back in time to strike?" What did you refer to?—A. That he had better sell, perhaps; or something of that sort—make his money.

Q. Were you interested in the sale that you were advising him to make?—A. I was not, sir.

By Mr. HEWITT:

Q. What is meant by the reference to coming back with the certificate of 500 shares and "all closed?"—A. I do not know what "all closed" means. I meant him to give me back my 500-shares certificate, because I wanted to return it to Mr. Gager.

By Mr. SPRINGER:

Q. You have stated to Mr. Hewitt that Mr. Fisher was in Paris in December, when you were there.—A. I remember his being there.

Q. Did you have any communication with him while there in regard to the selling of Emma stock?—A. Nothing in the world, except that Mr. Fisher asked me what information I had about the Emma. There was a great excitement about it at that time. News had come over from London, and I suspect I told him I had received a telegram from Mr. Park saying that I had better sell out. It seems to have been a telegram sent by Mr. Gager in Mr. Park's name.

Mr. Springer moved that a letter dated December 16, 1872, from Mr. Fisher to Mr. Duncan, be put in evidence; also, a letter from same to same, and dated December 19, 1872.

Mr. CHITTENDEN. I object to the reception of these letters, first, because they are communications from a party who is a stranger to this investigation—apparently to his own broker—not verified or authenticated in any way. I object, secondly, that if they are true letters, they have been stolen by his clerk from the estate of a dead man, Mr. Fisher, who lost his life with that of his wife on the steamship Atlantic on the coast of Nova Scotia in the winter of 1873. *Prima facie* these letters belong to his estate, and unless presented here by somebody showing at least *prima facie* authority to have them, I think they ought not to be admitted in evidence, even if authentic.

Mr. SPRINGER. In answer to Mr. Chittenden's remark as to the manner in which these letters were obtained, and that they were stolen property, I will say that I do not know anything as to their being stolen, and I hope the gentleman does not charge this committee with being *particeps criminis*. They come to us in a regular way from the chairman of the Emma Silver-Mining Company of London, in response to the request of the chairman of this committee to send such papers as were in his possession showing the connection of General Schenck with the Emma Mining Company, the very matter which we are investigating. In response to that telegram, Mr. McDougal has sent us certain papers; they come into our possession legitimately, and we have the right to use them as such.

The following is a copy of the application for a patent, made by the Emma Silver-Mining Company, October 14, 1870:

UNITED STATES LAND-OFFICE,
Salt Lake City, Utah, October 14, 1870.

Notice is hereby given that we, James M. Day, William W. Chisholm, James Smith, William B. Smith, Minerva M. Cunnington, James F. Woodman, J. Robinson Walker, Samuel S. Walker, Francis D. Clift, David F. Walker, and Matthew H. Walker, known as the "Emma Silver-Mining Company," do claim twenty-four hundred feet in length by one hundred feet in width on the "Emma" lode, (being a silver-bearing vein of rock in place,) and the land and premises appertaining to said mine, all situated in the Little Cottonwood mining-district county of Salt Lake, and Territory of Utah, the location and extent thereof being more fully described, as follows, to wit: The discovery-shaft of said lode is situated N. 23° 25′ E. of a point known as U. S. Monument, No. 4, being on unsurveyed lands of the United States. Said lode extends from discovery-shaft N. 64° E. sixteen hundred feet, and S. 64° W. eight hundred feet. The lands embraced by said lode, and with the lands appertaining thereto for mining and milling purposes,

ontain eight and two hundred and sixty-four thousandths (8.264) acres. Said lode s bounded northerly by the lodes known as the "Western Star," "Cincinnati," and North Star;" easterly by claim of Frederick Reich, and westerly by the "Emma Exension" lode, as set forth in the filed diagram; and we do hereby give further notice, hat having occupied and improved the said lode and premises according to the local ustoms and rules of miners in said mining-district, and having expended in actual abor and improvements thereon an amount not less than one thousand dollars, and aving at this time actual, peaceable possession of said mining-property, we will apply or a survey and plat of said premises, and a patent for the same, under the act of Congress entitled "An act granting the right of way to ditch and canal owners over he public lands, and for other purposes," approved July 26, 1866, and as amended by ct of Congress approved July 9, 1870.

Witness our hands and seals this thirtieth day of September, 1870.

JAMES SMITH, *Chicago, Illinois.*	[SEAL.]
WILLIAM B. SMITH, *Little Cottonwood.*	[SEAL.]
WILLIAM W. CHISHOLM, *Little Cottonwood.*	[SEAL.]
J. F. WOODMAN, *Little Cottonwood.*	[SEAL.]
JAMES M. DAY, *Salt Lake City, U. T.*	[SEAL.]
MINERVA M. CUNNINGTON, *Salt Lake City, U. T.*	[SEAL.]
FRANCIS D. CLIFT, *Salt Lake City, U. T.*	[SEAL.]
J. ROBINSON WALKER, *Salt Lake City, U. T.*	[SEAL.]
SAMUEL S. WALKER, *Salt Lake City, U. T.*	[SEAL.]
MATTHEW H. WALKER, *Salt Lake City, U. T.*	[SEAL.]
DAVID T. WALKER, *Salt Lake City, U. T.*	[SEAL.]

Attest:
C. L. STEVENSON,
A. R GERS.

I certify that the above notice was this day filed in the land-office for the Territory f Utah, and a diagram of the said lode, together with notice of intention to apply for survey and plat thereof from the surveyor-general, and a patent therefor from the overnment of the United States, as provided in an act of Congress entitled "An act ranting the right of way to ditch and canal owners over the public lands, and for ther purposes," approved July 26, 1866, and as amended by act of Congress approved uly 9, 1870.

I hereby direct said notice to be printed in the Salt Lake Tribune for ninety days rom the date hereof, it being a newspaper published nearest the location of the claim.

(Signed) GEORGE R. MAXWELL,
Register.

Adjourned.

WASHINGTON, D. C., *May* 3, 1876.

Mr. CHITTENDEN. In regard to the question which was before the ommittee yesterday, as to letters and papers, I wish to say that after consultation with General Schenck we have come to this conclusion: hat it is not best perhaps (and perhaps not proper) for us to undertake o interpose any objection here to testimony, documents, or papers vhich members of the committee think are proper in the case. If, herefore, the committee is of opinion that those papers offered yesterday re proper to be considered by it, under the circumstances, we would, n our part, waive our objection to them, desiring to leave the committee erfectly free to introduce them or not, as members of the committee, vho are lawyers and judges in the case, may think proper. If they ome in General Schenck will of course wish to say something about hem. I think that the effect of such papers, after they had been anded to the committee, and after the substance of them has been nade public, is pretty much exhausted, and there is not enough of mportance in the papers themselves to warrant their taking so much ime as they have already taken up.

At this point it was suggested that the letters referred to were published in the Baltimore Gazette of this morning, and a discussion took lace on the subject between counsel and members of the committee; nd finally, on motion of Mr. Banks, it was ordered that the letters of

Fisher and Duncan be not received as evidence by the committee, but that if Mr. Schenck desire to make any explanation of them he be permitted to do so.

Mr. Schenck having before him the papers referred to, and a copy of the Baltimore Gazette, said: Mr. Chairman and gentlemen of the committee, I had made up my mind yesterday, and I am confirmed in my conclusions this morning, (without knowing that these papers had yet gone to the public,) that such was the progress of this case, and such the way of treating papers that were supposed or not supposed to be in evidence here, that my best course would be not to interpose through my counsel or myself any objections to whatever the committee thought proper to present as a part of the case in the course of this inquiry, but to content myself with such explanation as, when the committee had thus introduced papers, I might be permitted to make. This publication in the Baltimore Gazette (which I have only known of within the last ten minutes) of the papers, which were under discussion here yesterday, satisfies me that my conclusion was right, and that I anticipated correctly what would probably be the result of these papers being discussed and brought forward, and the question as to their admission raised. Here they are all; I do not know by what means or by what authority, and I do not propose to go into that question. They are accompanied by a letter of comments upon me and my conduct in connection with this inquiry. I will not stop to say more about the body of this newspaper correspondence, except that it is a gross tissue of falsehood and misrepresentation in many particulars, and of unwarranted comments even upon papers that have been introduced. I will give an instance. The correspondent says that, among the rest, the original draught of Schenck's letter of resignation in Park's handwriting was found. That is an absolute, infamous falsehood; and I think the committee was satisfied, from its examination yesterday, that whether the whole of that letter of resignation, which was produced and claimed to be an original draught, was in Park's handwriting, or whether he or I or anybody else may be mistaken in regard to interlineations and corrections, and in regard to two of the words, it was at least nothing but a copy; and I repeat and aver that my letter of resignation, as it was put on the files of the company, and as it is marked as filed in the handwriting of the secretary of the company, was my own composition, written, not perhaps without telling Mr. Park, or talking with him about my determination, but without his aid and without his help, and that any pretense or claim that he first wrote my letter of resignation, or gave me the form of it, and that I adopted the form and the language and the substance from him, in whole or in part, is a lie.

I speak warmly about this matter, because here is a direct perversion made of the facts by the comments which this man undertakes to put upon the papers before the committee.

Now I come to these papers, remarking that some of them were the subject of explanation yesterday, but that there is no reference in this correspondence to the explanation given. I will now repeat the explanation. Here is one, marked No. 3, which I have not seen until this moment. It appears to be a letter from T. W. Park to Mr. Fisher, marked private. I think Mr. Fisher has made some explanation of it. I never saw it before, and know nothing about it, and it is altogether out of my power to make any explanation of it, for I have no knowledge whatever in relation to it. Here is a letter marked No. 7. It appears to be a letter from C. W. Fisher to somebody whom he styles "Dear Duncan." I do not know who Duncan is; I have in some way or other

learned, since this discussion began yesterday, that Duncan is some London broker with whom, perhaps, Fisher had dealings. I know nothing of Mr. Duncan; I know nothing of any dealings between Fisher and Duncan. In this letter Fisher says:

I telegraphed you last night to close out Emma, &c. This is *strictly private*, viz: The reason was that I met Gen. Schenck about 7.30 o'clock in the eve., and he told me he got a cable from Park that morning telling him to sell out at once at the best price he could get, and he, the general, sent Cheeseborough to London same evening with instructions to consult Gager, (who you and I know is in New York,) and, if thought best, to sell at once, &c., &c.

All this matter I have explained heretofore, by saying that I did receive a telegram which was signed by Mr. Park, but which, I understood the other day, was sent to me by Mr. Gager. I think I did believe that Gager was at that time, when Colonel Cheeseborough came on, in London; but the amount of it, so far as that matter is concerned, is that Fisher gave that as information which he had obtained, on the strength of which he instructed somebody with whom he was dealing. I have already stated, and I repeat, that Mr. Fisher, at some time and in some way, (I do not know how,) hearing that I, among others, had heard (there were a great many telegrams sent to London and elsewhere) something about the possibility of these shares going down, and being injured by the suspension of the dividend, with an advice that I should sell out, asked me about it, and I gave him just as little information as I could. I gave him probably as much information as to tell him what I had heard, and that I had sent Cheeseborough to London; or he might have learned from Cheeseborough himself that he was going to London on account of my alarm in relation to my property there. I ought here to remark that Mr. Fisher had a good many good points about him. He was a good sort of a fellow in some ways, but was inclined sometimes to dissipation; but when he was attempting to gather information for his stock operations of different kinds, and to pick up such information wherever he could, I think he was not always very accurate in his conclusions or in his guesses, and was not always to be relied upon in what he should say was the conclusion which he arrived at from anything he might have heard. Fisher seems to have acted on his obtaining some information, however private from me, on this subject, and to have written to somebody in London whom, as I say, I do not know. I never have made any concealment of the fact that I spoke to Fisher. I do not know how much I told him, but it would appear from this letter that I told him the general fact that I had heard from Mr. Park. He does not use my own language or the language which Mr. Park cabled to me. The information was not given to Mr. Fisher to be used in any way in any operations of his, and it is utterly untrue that I had any community with him or any connection with him in any operation in which he was engaged. He gives here his inference:

That all means, as I look at it, that Park will not advance the £12,000 asked for that I told you all about, and that the *dividends will stop*. Don't you think so? I shall be at your office early Wednesday a. m., and Emma may be a good *bear*. I am, I hope, doing good here. I enclose a note to Tooke, which send by one of my boys and see what he says.

Truly yours, C. M. FISHER.

Put Tookes' letter in an envelope, and let Davis or Wallington, or some one else, superscribe it.

All that, on its very face, shows that it was a matter of the merest inference by Fisher from what he had learned in regard to the Emma Mine. His instructions to his broker are founded on those inferences, but it does not relate to any information obtained from me, nor to

any information which I had, for at that time I did not know what they were going to do. I had all the time expected and hoped that the dividend would be continued, and that I should have the benefit of the income from the stock which I was holding in that company, and that I might finally be able to sell out to some advantage 500 shares which I had, and which were being carried while I held on to the 475 shares; that is verified by the telegram to which I shall allude presently, in which I implored them not to stop our dividends on the stock. Then comes another letter, marked 9, and dated 19th December, from Fisher, in like manner addressed in the same way:

DEAR DUNCAN: I can't get home before Saturday. I hope to do some good by staying. Stanley can keep you posted as to Emma, and so can Tooke, and he will, if you go or send to him. Private. General telegraphed Cheeseborough to-day to sell 2,000, as Park had telegraphed; hence I telegraphed you. In haste for the mail.

Truly yours, C. M. F.

Now, there Mr. Fisher guessed wrong. He had found out, probably, that Park had advised the selling of the 2,000 shares, but I am, as I said, perfectly satisfied, from my recollection, (and the more I think of the matter the more I am satisfied,) that I never directed Cheeseborough to sell the 2,000 shares, and, at any rate, that no 2,000 shares were ever sold for me. This is an inference by Fisher, from the conversation.

Now, I want to make this general remark in regard to both these letters. In the communications passing between Fisher and his broker, in any way relating to or affecting me, so far as my having given any authority for them, or having any privity or any knowledge whatever of the correspondence between them, the allusions made to the information which he had thought he had picked out of me more or less correctly, and his inferences, are Fisher's own and not mine, and I am in no way responsible for them. They are, as has been said here repeatedly, not what would be regarded as evidence in any court of justice. They are outside matters between these two parties, and are produced here without any proof of the facts that are averred in them, and are, therefore, in no sense whatever testimony.

Now, to show the way in which this thing has been done. Here are two telegrams, marked, 6 and 8, from Fisher to Duncan, in which he says, "Sell 1,000 more. Dividend will be passed;" and the other, in which he says, "Close out Emma at best; this is private."

These are subject, of course, to the same comment that I made upon the others. They are some things that passed between Fisher and his broker with which I had never anything to do, and of which I have no knowledge. The inference seems to be drawn that Fisher may have got his information from me, but even that does not follow, because about that time it had been known, and there had been a good deal of excitement about it. We, all who were interested in the stock, shared in the excitement. The apprehension was that the next dividend would be passed, and that that would tumble the stock down, although, even then, I, for one, thought that it was but a temporary difficulty and would blow over, and that there would be probably only a passing of the dividend for a month or two or three. Indeed, when I got back to London, I had still the assurance from one or two directors of the company whom I met and talked with that the dividends would be resumed within a month or two, certainly in the spring, if not sooner.

Here is a paper, marked 4, dated September 30, 1870. It is an account against C. M. Fisher, by Coates & Hankey, as follows:

24 Gresham-street Bank, E. C., (corner Coleman street,) London, September 30, 1872.

C. M. FISHER, Esq.:

DEAR SIR: We inclose your memo. of ⅝ for this settlement:

Cr. yourself	£197	0	11
Cr. General Schenck	171	17	6
	368	18	5
Dr. yourself	230	10	8
Cheque herewith	138	7	9

We are, dear sir, yours truly,

COATES & HANKEY,
Per W. G. DUMONT.

That is all new to me. I never had any stock transactions with those people. I have not the slightest recollection of any transaction being mentioned to me by Fisher, and if Fisher used my name in his transactions of that kind I am not responsible for it. I repeat here what every one who knew our friend C. M. Fisher knew unfortunately, to be true, that he was a little pretentious in claiming to have information about various matters, and to have communication with people the use of whose name he thought might avail him perhaps. Toward the close of his life I discovered this, and, allowing for his good traits of character at the same time, I found that he was very much embarrassed and was getting into bad habits, and was not as reliable a man as I had in former days supposed him to be. I want just here (for I desire to be as accurate as possible) to correct a mistake which I made yesterday. I was asked about my acquaintance with Coates and Hankey, and I said that I did not know either of them. I repeat that I do not recollect ever having seen or known anything about Hankey, except that there was a Mr. Hankey, who was a literary gentleman and a member of Parliament, but who, I understand, is not this man. But I was mistaken in saying I did not know Coates. When that question was asked me, and I tried to recall him, it was only in connection with the idea that I had business transactions of any kind with Mr. Coates, or with Coates and Hankey, and I knew that I had not. But in 1872 or 1873 (I have forgotten which)—it was the only occasion in which I was ever at the Derby—I remember meeting Mr. Coates. I went, and was very hospitably entertained at luncheon, in his carriage at the race-grounds, and I met him probably a few months afterward, when he insisted on offering me a wager of a guinea at a boat-race, (where I found him on a barge on the river with a crowd of other gentlemen,) that the English would beat the Americans, and I was foolish enough (for I thought that the New York crew would be beaten, but I had too much spunk to back out) to accept the wager, and I lost my guinea. I do not think that I ever knew Mr. Coates in any other way or at any other time; and these were social relations, not business relations.

Mr. HEWITT. That account of Coates & Hankey's is dated 30th September, is it not?

Mr. SCHENCK. Yes, sir.

Mr. HEWITT. If you look at your note to Fisher you will observe that it is dated on the 2d of October, 1872, which is two days afterward.

Mr. SCHENCK. Yes, sir.

Mr. HEWITT. In that letter you will see that you asked Fisher to bring you back the 500 shares, and "all closed" is the language. We have asked before what those words "all closed" meant. Of course, seeing these contemporaneous dates, I inferred that the thing mentioned in your letter had something to do with what is referred to in the account of Coates & Hankey.

Mr. SCHENCK. It had not, and I am glad to call attention to that note again. Mr. Gager knew that I was troubled about the shares which Jay Cooke, McCulloch & Co. were carrying for months and months, which I had bought on such credit as I had and the margin on which I had to pay. He knew that the stocks were running down sometimes and sometimes up, and that it might be necessary for me at some time or other to put up a larger margin. Mr. Gager has explained all that—how it was an offer of his own, and how he handed to me two different certificates of 500 shares each. Fisher came to me and told me that he was embarrassed in some stock operations, and asked me could I help him in any way. He had found out that I held these certificates, and that I had no occasion to use them. As a matter of kindness to Fisher, and on the promise that he would simply hold them to show that he had a control of 500 shares, I let him take away for a short time one of these certificates, but I insisted upon it that he must return it whenever he closed up his matters, because I intended to hand back these certificates to Gager. I do not know how long Fisher held this certificate, but he did hand back to me the very same certificate that I gave him. What use he made of it, or what representation he made, I do not know, but I remember that I was rather relieved when I got the certificate back again, and when I was able to restore to Mr. Gager the two certificates, Mr. Park's property. That is what I did in relation to Fisher, and I did it out of kindness to the man himself, who was dashing right and left, making these speculations; and the advice that I gave him was given in the same way, in the same spirit of friendliness to him, not because there was any community of interest between us.

Mr. HEWITT. What did you understand to be the significance of the words "all closed?"

Mr. SCHENCK. I do not know. I suppose he had probably told me something or other about his stock operations, and that as soon as he could get them all closed he would hand back the certificate. My letter is:

WEDNESDAY, *October* 2, 1872.

MY DEAR MR. FISHER: I am just off to the country. On Sunday I will expect to see you by twelve o'clock or sooner, with the certificate of the five hundred and all closed.

That is, that he had got clear of everything, and was able to give up the certificate.

I am under promise to settle with Gager. If you were at home this week you might close out with good profit. Shares were twenty-seven yesterday. Perhaps you are here. If in Paris you ought to get back at once, and in time to strike.

Yours, in haste,

ROBERT C. SCHENCK.

I had told Mr. Gager that I would hand him back the certificates.

Mr. HEWITT. The impression would be that you had some other transaction with Mr. Fisher.

Mr. SCHENCK. I know that it is a hastily-written note. I suppose it meant, "if you have not closed it up now, have it all closed so that I can get back my certificate." I felt uneasy until I got the certificate back again into my hands.

Mr. PACKER. Do you think that you could have loaned Fisher £117 17s. 6d. for the purpose of getting up that collateral?

Mr. SCHENCK. No, sir. I let him have money toward the close of his life for the immediate wants of his family, and he died in debt to me, I should think, about $1,000, but there was not any business transactions between us.

Mr. HEWITT. It is quite evident that Fisher must have given Coates & Hankey the idea that there was some business transactions between you and him.

Mr. SCHENCK. I think it probable that Fisher may have used my name improperly with Coates & Hankey. I did not know these brokers, and had no business transactions with them. I have not the slightest recollection of any conversation about anything of that kind, and my impression is that Fisher was in some way or other using my name, probably to have them understand that I was interested with him, or for some other purpose, I do not know what.

I wish to call attention to the fact that these papers are sent here by Mr. McDougal. They evidently have been derived from different sources. Some of them are papers which were necessarily under his control as chairman of the Emma Mining Company, of which he is now the manager, (running it pretty much altogether, I believe,) such, for instance, as this original letter of resignation of mine, which appears to be from the files of the Emma Company, and these telegrams that were introduced yesterday. Then there is another class of papers, which are among those that have been described, and not unjustly, as being pillaged from the private papers of Fisher, who died without anybody to represent him, by perhaps a clerk who was in his employment, and who is now, as I understand, in the employment of Mr. McDougal—a man named Mackey. These papers, I would remark, are in no way evidence, except hearsay. I am now, however, explaining all the papers as if they were presented as evidence. Then there is another class of papers which seem to have been picked up from brokers' offices, or elsewhere; for instance, I suppose those telegrams from Fisher to Duncan must have been got from this Mr. Duncan.

Mr. SPRINGER. You never visited an office kept by a man of that name?

Mr. SCHENCK. No, sir; I do not think I was ever in a broker's office in London. Among those papers that are brought in, (I do not know from what source,) is that copy which Mr. Park seems to have made, at some time, either for Mr. Fisher or somebody else, of my letter of resignation. It is evidently a copy, no matter by whom made, except in the two words about which there is a question. Where Mr. McDougal got it does not appear at all, nor is he here to be examined. He may have got it among Mr. Fisher's papers, or he may have got it from some broker or banker, or somebody else, to whom Mr. Park had given it. That I do not know anything about, but it is a blind sort of thing to be introduced here as testimony, when there is no evidence in regard to its origin. It is merely sent in here as a paper which may or may not have been in the files of the company; but whatever it is, it is but a copy, and the original is my own.

Mr. HEWITT. It came to the committee from Mr. McDougal.

Mr. SCHENCK. So I understand.

Mr. HEWITT. The question I asked you yesterday was whether you made the interlineations in it or not.

Mr. SCHENCK. I know, and I confess that I am still puzzled about them. The word "fullest" looks to me as if it were my handwriting, but half a dozen gentlemen experts, as well as others, think that I am entirely mistaken. The word "gentlemen" I cannot admit to be mine, because the more I look at it the more I see that the large "g" and the "e," which is made in a way that I never make an e, (with a hook,) are not mine, but the "men," at the end of it, looks as if it might be my handwriting, which is sometimes a little irregular.

Mr. HEWITT. I see that I am recorded in the associated press as saying that I thought the interlineations were in Mr. Park's handwriting. I did say, and I now repeat, that I think they are in your handwriting.

Mr. SCHENCK. Yes, sir; that is what you said yesterday. The only important question is, whether I got Mr. Park to write a letter of resignation for me—first to induce me to do it, and then to write one which suited him. All that I can say is, that I have, by some accident or other, been able to find myself still in possession of the draught of the letter, which I seem to have enlarged as I wrote it out: and I can but repeat that that letter of resignation is my own in composition, language, substance, and form.

JAMES E. LYON recalled in rebuttal.

The WITNESS. In Mr. Park's testimony, he is asked by Mr. Phelps whether it was true that he stated that Judge McKean, the chief-justice, had become interested in the stock of that company, to which Mr. Park answered, "No, sir; he never was interested in it a dollar, directly or indirectly." I wish to say that I have made no such statement before this committee. On two or three occasions that question has been asked. I have said that two of the judges of Utah were interested in mining property as partners, with those whom I had made defendants in the suit against the Emma Mining Company at Salt Lake. The two judges were joint owners in locations with some of the defendants—for instance, Walker Brothers and Chisholm, parties whom I had sued—and that therefore they had become interested in the mining laws and in the conduct of suits where mining questions were pending. The question is asked of Mr. Park, "It is further stated that the marshal of that court, who had the selection of jurors under the practice there, had been paid by you, or had been made interested in the Emma Mine; is that true?" To that the answer is, "There is not a word of truth in it." Upon that point I wish to say that, when Senator Stewart and myself were going to Salt Lake City the first time, in 1871, Mr. Miller, the editor of the Omaha Herald, came on board the train and said to us that John Patrick told him that two of his sons in Utah, the marshal and the other, were interested in the stock of the Emma Mine. That is the first intimation that I had of anything of that sort. When I arrived there a gentleman came to me and told me that one of the Patricks wanted to borrow some money; I think he mentioned $2,000. I told him that I would loan him the sum of $2,000 if I could get some stock of the Emma Mine. I did this more to ascertain if they were owners of or interested in that property than anything else. The gentleman went away and came again next day and said that the stock could not be reached just then. Nothing more was said on the subject until I was in London, when a letter came to Mr. Park one day which, after reading, he threw on the table, saying, "Lyon, I wish you would read that letter." The substance of it was: "Pay the balance of that money, or else I shall commence a suit against you immediately." The letter was from Mr. William F. Shafer. Mr. Park said, "Take that back to the Langham Hotel and give it to Mr. Shafer." I said, "I cannot take it in this condition to Mr. Shafer; it is an open letter, and it will hardly do for me to do it." He said, "Shafer is a friend of yours." Said I, "Yes, and I can carry the letter back, but I cannot carry it back in that open condition." "Well," said he, "I had better tell you what that is about. I suppose you know he got a thousand pounds of me while he was here." I said, "Yes." I recollected Shafer's having a thousand pounds, and I had myself gone down with Shafer to McCul-

loch's, and Shafer transferred some money there to Mr. Patrick. That I knew of. There was $30,000 to be divided between the two Patrick Brothers and Shafer, and he told me that Mr. Shafer had come to him with the proposition in Utah that he could "manage" the jury—pack the jury on me through the marshal, if he would pay for it; and said he, "Lyon, I told him that that was 'business,' and I gave him the equivalent to about $30,000. It was in stock, and would not amount perhaps to quite $30,000, but about that." Park said he had paid a thousand pounds in cash, and had proposed to pay the balance in New York, but he said, "I do not think Shafer will sue me in New York for bribery and corruption." I said, "Park, did you intend to beat me in that way?" And he said, "Why, yes; when I go into a lawsuit, I go in to beat." I have learned since that the Patricks got their money, though, of course, I do not know it positively, but they claimed $25,000 balance.

Mr. Park also says that when he went to Salt Lake City about the suit of Lyon against the Emma Company, he had never seen me. As to that, I desire to say that in I think, 1865, Mr. Park and David A. Gage, of Chicago, were dealing in Mariposa stock. Gage was a partner of mine at that time and, some considerable sensation was created in Mariposa stock by the discovery, as it was supposed, of a new process, called the "acid" process, for extracting gold from the ores. Gage came to me, as I had had some experience in the matter of handling ores, and asked me what I thought about it. I told him that I thought it was a fraud, that it would turn out to be so, and that I didn't have any faith in it. He wanted me to go with him to the Fifth Avenue Hotel to see Mr. Park, and we went up there together and talked about it. I told them it was all a fraud and a humbug, and that they could not do anything with it. I told them it was my opinion that these parties had put some gold into the acid and held it in solution. This was afterward found to be true, because some fresh acid was provided and tried and it did not work. That was the occasion when Mr. Park saw me for the first time.

The next time Mr. Park saw me was in the office of Rufus Hatch, of Broad street, New York. I had gone there to see Mr. Park at the request of Mr. Stewart, as Mr. Stewart wanted to go to England and did not want to be annoyed with a lawsuit before his return. Mr. Park did not recognize me on that occasion, as he had not seen me for so long a time previously. I told him I had some papers in my room, and that I thought he would like to see them. He came to my room and spent an hour or two with me.

I do not think that at any time or on any occasion, in all my dealings and acquaintance with Mr. Park, he has ever said an unkind word to me, nor ever used any language intimating anything but the most friendly relations toward me from the beginning of our acquaintance. There are several gentlemen whom I could bring before this committee that would testify to seeing Mr. Park and myself talking in Salt Lake City entirely alone, even for hours. He has never called me a perjurer nor blackmailer in his life. He never made a speech in a court in his life where I was interested or where I was present. The nearest attempt he made at a speech was under these circumstances: When in Salt Lake he wanted to reply to Mr. Hilyer's argument; but Mr. Hilyer said, "You are not a member of the bar." Mr. Park said, "I can be one very soon." Said Mr. Hilyer, "If *you* speak I shall want Mr. Lyon to speak, too; you are a party interested in this case, and you cannot speak unless Mr. Lyon can speak." "Very well," said Park,

"Mr. Lyon can speak if he wants to." I went to Mr. Hilyer and asked him if I could not get an attorney to do it just as well; and he said, "Yes, certainly." Thomas Fitch, of Nevada, was there at the time, and had been making a speech at the tabernacle—what he called "a Fourth of July oration"—and he said some pretty hard things about Park, and called him the "Exhausting Receiver," and other things, and Park expected some trouble when he saw Fitch around. I went and spoke to Fitch in the room, and he immediately got up and took a seat at the table. To everybody's surprise, however, Mr. Park said, "I have nothing to say." There was a general laugh, and the remark was made that when Park saw that Mr. Fitch was going to say something he had made up his mind to keep quiet.

In all my relations with Mr. Park there could not have been a more pleasant, social gentleman than he. When I went to London I met Mr. Park and Mr. Stewart there, and they both greeted me most pleasantly. Mr. Park went into an adjoining room with a friend, and on coming back said to Mr. Stewart, "Do not forget to tell Lyon about this stock being locked up for nine months." "No," said Mr. Stewart, "I will not." As to this £46,300 paid into the treasury, Mr. Stewart was called into the room, and Mr. Park said that that sum must go in as part of the expenses, as it was taken out of the subscription-money and paid into the treasury to aid in furnishing the fund with which to pay dividends. Mr. Park said that General Baxter had an account in New York, sent to him by Walker Brothers, amounting to $125,000, which at one time we did not know of being in New York, which would absorb that much of the money, and there are various other expenses which would about consume all the money that was on hand, and therefore this must come out of the subscription-money; and I believe it was taken out of the subscription. I was with Mr. Park very often, and he very frequently asked me to dine with him, though I never did so. I was the only person, I believe, that was allowed to go into Mr. Park's room in London, all the time he was there, without announcing the name at the door. The servant was instructed that Mr. Lyon should be let in at any time. I used to go in sometimes without even knocking at the door. I mention these things to show the committee the familiar terms upon which we were. Upon one occasion when going in I found that Mr. Duncan had just stepped in before me, and was talking to Mr. Park, and, although Mr. Park was looking toward me, he did not say "Good morning," or anything of that kind. I stood on the threshold of the door for a few seconds and then went away, and did not come back for a day or two. I did not like very well his not saluting me. I thought he might at least have said "Good morning." In a day or two Mr. Park said to me, "Why did you go off so quick the other day? I went to the door to look for you and you had gone." "Well," said I, "Mr. Duncan was with you, and I did not like to come in." He said, "That is a pretty way for you to do; you know I am always glad to see you." He said, "Don't do that again; don't run away in any such manner as that." I never had a difficulty of the slightest character with him, not even when selling shares short, until some time in the month of April, and even then nothing could be more pleasant between two gentlemen. Said I to Mr. Park, "I am short." He said, "When did you get short?" I told him. Said he, "Why did'nt you wait until I sold?" "Well," said I, "I thought you were selling, perhaps, without telling me, and I made up my mind that I would sell and take my chances." He laughed. Afterward I tried to borrow a thousand shares of him as I would on the New York market, and be

said, "I haven't got a share but twenty-five. I have sold out everything that I could sell."

Q. What was the date of that conversation?—A. It was in April, after the 85,000 shares had been subscribed for. He said he didn't own a share; but I knew that he had some shares that he was carrying for Brydges-Willyams and some that he was carrying for Anderson; at least that was my judgment on such knowledge as I had at the time. If there was anything that Mr. Park kept secret from me in England it was the relations between himself and Anderson. He never told me that he was carrying that stock for Anderson, but the relations were so close between them that I was satisfied he was carrying it for him. Mr. Park told me that General Baxter would never forgive him if he came back to America with a share of Emma stock, because Baxter hated mining stocks. He has told me that Mr. Brydges-Willyams was the largest shareholder in the Emma company in reference to "bearing" the stock, (selling it short.) "I would advise you," he said, "not to do it until along about midsummer, or until the fall. There is money enough to pay dividends and to carry it on until the fall, and then I will go in with you, and we will make something on the 'bear' side of this stock." That was just before Mr. Park left. I remember it by the circumstance that he had called on Judge Norton, of California, who was very sick and not expected to live. I was even trusted by Mr. Park to go with his bank-account to the bank, a thing with which he would not trust anybody else. When he came to buy me out and pay £10,000 for that contract, it was he himself that suggested it. Said he, "I will give £5,000 for your claim against these parties in Salt Lake who have taken out ore. I don't think," he says, "it is included, any way, but I will give you £5,000 on a venture." I laughed; but I said, "Give me £10,000, Park." He said, "I will give you the £10,000." Said I, "That will do." I never had intended such a thing as to bring a lawsuit against Mr. Stewart; it never entered my head to bring one against either him or any of those gentlemen. I never had one word of talk with a lawyer or anybody else on the subject, either in England or America. The last man that I would think of bringing a lawsuit against in London would be Mr. Stewart, who was living in America.

He told me he had offered Mr. Stewart $50,000 to throw me in the lawsuit, by way of showing that Stewart was a different man to what I had supposed, because he would not take that $50,000. I said to him, "Is that what you call an honest man? You think he is honest because he would not take $50,000 in such a case as that." Said I, "Is that what you call square, Mr. Park?" "Well," he said, "you know, Lyon, that is a common thing in lawsuits in America, but I will admit that it is not morally honest."

Mr. Park's relations and mine, at all times, were most intimate. I have been there at all sorts of odd times, when nobody else would have access to him. Our relations were such that Mr. Park told me everything in relation to this property. He would show me Albert Grant's accounts and everything. I saw the account-sales of Albert Grant with him; and I saw a letter of Albert Grant's to him, in which he uses the expression: "If the mine is as good as you say it is," (and he had underscored those words.) Mr. Park said to me, when reading that letter, "Lyon, he evidently does not think that the mine is as good as I say it is." Mr. Grant wanted the stock put on the market at 24. Mr. Park told me once that Albert Grant said to him that he was going to make him the handsomest present of a silver set that one gentleman ever made to another; that "I (Park) had done my part—my

share—in this business better than anybody else he had been associated with in the enterprise."

Mr. Park states that he would not harbor me, or introduce such a man as me to General Schenck. To that I have to say that I do not think there is a man in London of Mr. Park's acquaintance that he would sooner introduce than me, as I had done everything that Mr. Stewart told me to do as to their plans, and Mr. Park had everything his own way.

Mr. Stewart says he gave me a note for $150,000. No note was ever given in my presence. No contract was made of that character, except that Mr. Park would pay his check for £1,000, to be a forfeiture in case they did not pay me in twenty or thirty days. That was to give Mr. Stewart an opportunity to go to New York and transact some business. I did not know what the business was at the time, and I never knew until the spring of 1872. Mr. Park was trying to buy that stock at the same price from Mr. Davis that he had bought it at in New York, but Mr. Davis would not sell it.

The first difficulty that occurred between us was after I had told him confidentially that I had sold 1,600 shares of stock short. He went to Mr. Anderson's brother-in-law, Mr. Moscrop, and told him of it. I was at variance with Mr. Park for this, for it was very unkind of him to do it, and he had no right to do it. He told Mr. Moscrop, too, that I had a letter from Salt Lake City to the effect that stock would go up to £100 a share, and that it was worth that. I had no such letter; in fact, what news I had from Salt Lake was quite to the contrary effect.

General Schenck seems to be annoyed about these letters being stolen. I have a letter with me which says that Mr. Stewart bought my letters and brought them from Salt Lake, paying $2,000 for them, to defend General Schenck in this prosecution. As to the two letters of resignation of General Schenck, I have to say that I saw, about the 1st of December, what purported to be General Schenck's letter of resignation. Whom it was written by I cannot say; but it was handed to me, purporting to be his letter of resignation. In that letter there was nothing whatever in reference to his shares, nor to the mine. It stated simply that he did not wish to give his political enemies an opportunity to criticise his conduct. That was about the substance of the letter. Of course I believed it to be General Schenck's letter. Mr. Park handed it to me and said, "Just look at that letter that General Schenck has written as a letter of resignation. It does not suit me at all. I will have to get another letter from him." Mr. Park said to me then that he would write or dictate the new letter himself. My own belief was then, and has been ever since, that Mr. Park wrote the letter, or dictated it, and that General Schenck copied it. I have so stated in England and New York, and that is my judgment. That statement I made under oath before I knew anything that has transpired here. Mr. Park showed me the other letter, and said to me, "Now, Lyon, that would be of more service to the company than the other." I said, "I should say it would be," and we had a little laugh about it.

By Mr. HEWITT:

Q. Did you see the second letter?—A. Yes; Mr. Park showed it to me.

Q. Was it at the same time that he handed you the other?—A. No; it was some few days afterward that I saw the second letter.

Q. Would you be able to recognize those letters?—A. No, sir; I would not be able to recognize them, because I do not know General Schenck's

handwriting, and I had never seen any of Mr. Park's handwriting hardly, certainly not much at that time, and would not recognize the documents, but I had them in my hand.

Q. And they were several days apart?—A. Yes; at least a few days apart. I will remark here that I told Mr. Johnson immediately when it occurred, and he knew what was coming up, and I talked with one or two others in London about it. Perhaps I talked with fifty persons about it in 1872 and 1873. It is nothing new to me at all.

Q. Did you tell Mr. Johnson at that time that you had seen the original letters of General Schenck?—A. Yes; within twenty-four hours after it occurred I told him of it, and I told him in addition that I was sure that Mr. Park wrote the letter.

By Mr. PACKER:

Q. Could you state the difference between the two letters?—A. I think I could state very nearly the substance. There is nothing in this whole matter that I am more positive about than these two letters of resignation. General Schenck's connection with this mine was clear and fresh in my mind at the time, and I had told Mr. Park repeatedly that this thing would end in a national calamity, referring to General Schenck's connection with it. Mr. Park was in hope that a new body of ore would be discovered. Somewhere between the 19th or 20th of December and the 1st of January, after the resolution of Mr. Blair had been introduced and had got to England, the first information of that resolution that I had from any one I got from Mr. Park. I do not now remember whether it was by telegraph or mail that it first came. It was a matter of a good deal of concern to Mr. Park, and naturally we would talk about it. I think I was the only confidant whom he had there. I don't know of anybody among his English acquaintances that he was so familiar with as with me or knew so much of the inside in connection with his affairs as I did. On the receipt of the information about Mr. Blair's resolution Mr. Park said to me: "I have fixed that matter with the general. I have got the general to give me his note and to write me a letter saying if the note and the stock are not good security he will give me a mortgage on his house and lot in Washington." There is no way that I could possibly have known that there was a mortgage to be given on his house and lot in Washington unless I had heard it from Mr. Park or General Schenck. The mortgage was not given; consequently it was not a matter of record, and therefore I could never have known it but for the information he gave me. He told me that he gave a note for the stock, and by the letter he agrees to transfer the stock to Mr. Park as security. Mr. Park told me: "I have sent that statement forward to Washington." I said to him, "Did you swear to it?" And he said, "No." I think he told me he had sent that forward to Mr. Poland.

As to the testimony going to show that they worked the mine without regard to taking out the ore, Mr. Park swears that that was not true. I believe that Mr. Williams has sworn that that was true, and that he was directed to work the mine in reference to development, and not in reference to taking out the ore. That is the information I got from Mr. Park in New York. I did not know Williams. He had been employed by Mr. Park. Mr. Park told me that he had employed Williams, and told him to work the mine for developments, or to make it look well for the engineer to examine it, without any reference to taking out ore.

In reference to applying for 500 shares of stock for General Schenck

at the London and Westminster Bank, Mr. Park said in his testimony that he could not have asked me to do that, and that he could not have given me a check, because he was not known there. He could have given me a cross-check, and there would have been no difficulty about that; or, if I had indorsed his check and taken it to that bank, they could have taken it to Jay Cooke, McCulloch & Company, and got the money there. But it was absolutely necessary, as Mr. Park stated, that his name should not be known at the London and Westminster Bank, and that I should go there with the funds.

In reference to the letter which Mr. Park in his testimony states he gave me to the secretary, stating that I wished to get some stock at £23 per share, I will say that I was "short" of the stock at that time at about £23, and therefore I would not be desirous to get it; and if I was desirous, I would have taken that letter and left it with the secretary, which I did not do. I brought it away with me, as I did not use it. I have stated that as to the £10,000 consideration paid to me, I have signed a contract with Mr. Stewart that has released him from any further claims for that amount. I also gave to Mr. Stewart a document assigning to him (or at least that is my recollection of it) my interest in any claim I have against the parties in Salt Lake City for ore. I gave the Emma Mine Company another document, that he required, to assign to them my interest in the Saint Louis mine. That document I have not seen, but they have it in their possession.

By Mr. CHITTENDEN:

Q. Who have it?—A. Mr. Park has or you have, I don't know who; I have never seen it since I gave it to Mr. Park. Mr. Chittenden says that he had a telegram stating that I arrived in Salt Lake City the 22d of May, 1870. I was not there on the 22d of May, nor June nor July. I arrived there about the 20th or 25th of August, having left the Saint Nicholas Hotel on the 11th of August. Who Mr. Chittenden got his dispatch from I do not know. I have two letters here that were furnished or procured from Mr. Park to be published in the Mining Journal of London in reference to this property. They are dated respectively April 13 and April 20, 1872. Before I read the first one I will say that Mr. Fisher was a man whom I knew very well, and whom I had met on several occasions with Mr. Park and others. He came into Mr. Park's room at a time when the stock was £30 per share, between the dates of April 13 and April 20, and laid down some brokers' certificates—certificates of Duncan and Reed, I think—and said: "I have sold all your stock, Mr. Park; I have sold all General Schenck's stock, and I have sold all my own." The stock was either £30 per share then, or possibly may have reached a few shillings over £30. Mr. Park and Mr. Fisher were very much elated over matters. "How much did you sell for me?" said Park. "Nine hundred," said Fisher. "You sold three hundred shares more than I told you to sell," said Park. About the time Mr. Fisher was leaving, Mr. Park said to Mr. Fisher: "Mr. Grant is going to write an article for the Mining Journal." That would be for the next Mining Journal, of April 20. Mr. Fisher came back from the door to say: "Park, let me write it; it will do me some good." I did not know what good he referred to. Park said: "You may write it, then." "Very well," said Fisher, "I will write it." The article dated April 13, Mr. Park and I had talked about previously. It is a very extraordinary article. I will read it:

THE EMMA SILVER MINE OF UTAH.

Nothing can be more evident than the sincerity of the vendor's declaration that if he had known the real value of the property before the contract was drawn up he would

not have offered it for a million; nor can anything be more certain than that if the keen-witted denizens of Wall street had any notion of the prize Mr. Park had in his pocket when he stepped out of the Pacific train, that gentleman would not have left New York.

Our acute American friends are waking up to the fact that they have lost a first-rate thing—an article first among the first-rate ones; and within the last few days orders to buy on a large scale have been received here both from New York and from Utah, the locale of the great mine. This is only what might be expected from the acuteness of the transatlantic capitalists; as they let slip the prize which they had in their hands, they seek to retrieve the mistake as far as possible by standing in for such profits as are derivable from the difference between recent prices and those which the shares will soon command. To do this stroke of business they must be very quick, or English holders must be slow and short-sighted to a degree. The directors will, in a few days, be in possession of the $183,000 surplus reserve which it was thought prudent to have in hand, and accordingly the dividend to be paid after May will be at the rate of 36 per cent. per annum instead of 18. Thus the dividend will be at once doubled, and, it may safely be calculated, for a permanency, as the intelligence by every telegram is better and better still than that brought by former ones. The word "inexhaustible" has become such a hackneyed piece of clap-trap in connection with the resources of mining properties that we almost shudder on hearing it; but if ever it could be legitimately used it would apparently be in the case of the Emma. Those best qualified to judge say that the capability of immense production and consequent high dividends for 40 or 50 years to come are already assured facts, and, for anything that appears to the contrary, the time may be extended to a century.—*London Mining Journal*, April 13.

By Mr. HEWITT:

Q. Is that editorial?—A. Yes, sir; it was put in as an editorial—put in by Mr. Fisher. I will now read the editorial of the 20th of April:

THE EMMA SILVER MINE.

Consequent on successive arrivals of telegrams, of which the pleasing characteristic is that each fresh one is "better and better" than any of its predecessors, coupled with the intelligence conveyed in our last of the forthcoming doubling of the dividend from 18 to 36 per cent., there has been an active demand for the shares of this magnificent property. Already there is a substantial upward movement upon the curiously inadequate prices that have hitherto ruled. The advance during the past week has been about £9 per share, and quotations are now very firm at £31. This, it may well be inferred, merely foreshadows what will take place when the investing mind realizes the superabundant confirmation of the representation made at the March meeting by Mr. George Anderson, M. P., the chairman, and Mr. Park, the principal vendor. These representations were to the effect that a very high range of dividends (we shall be mistaken if it is not seen rising to 50 per cent. per annum before very long) can be paid for a very long succession of years. The vast resources then known to exist are constantly supplemented by new discoveries of rich ore, proving the statements of the gentlemen named to have been far within the limits of moderation. An illustration of the surpassing and all but incredible wealth of the mine has just been furnished by the extraction from the bottom of a shaft fifty feet below the lowest level opened of ore yielding 75 per cent. in lead and $472 per ton in silver. It should be explained that the extraordinary silver produce of an ore carrying so high a percentage is due to the fact that it is so seamed and impregnated with silver chlorides as to bring the average values up to the above high amount. In fact a similar combination prevails extensively in the Emma ores, and accounts for their extraordinary richness. But perhaps the most gratifying circumstance in connection with the fact here mentioned is the proof it affords of permanency from the great depths at which the richest ores are found in bulk. It appears that the entire compass of the shaft from which these were taken shows the same kind of ore, and there is no doubt that it is continued for extensive breadths on every side, thus indicating, if further indication were required, the immensity of the resources.

A correspondent suggests that £50 would indicate the value of the shares much more approximately than the £31 which they now command, and that they will probably rule even higher. We confess that his opinion is supported by very solid facts.—*London Mining Journal, April* 20.

Mr. Park told me that General Schenck told him that Fisher was a very valuable man, and that he (Schenck) thought Park would find him so. Park told me he had found him so. He says, "Lyon, what do you

suppose I paid the Mining Journal for those two articles?" I said, "I do not know." He said, "I gave £500 and a call on the stock of 250 shares;" (I think, at £20 or £23 a share.) The Mining Journal furnished Mr. Park with 1,500 copies, I think, of the paper. I was in Mr. Fisher's office a short time afterward, and I found the Mining Journals, probably as many as that number, all put up in wrappers, ready for mailing, and containing statements in reference to the character of this mine. I did not open them, of course, to see that they were the same papers, but my conversation with Mr. Fisher caused me to believe that they were the same papers, because they were just then freshly put up.

By Mr. CHITTENDEN:

Q. Do you swear that you were not in Salt Lake City on the 23d of May, 1870?—A. I swear that I believe I was not.

Q. Is it anything more than a matter of belief?—A. Well, it is considerably more than that. I find that I left the Saint Nicholas Hotel on the 11th August, 1870, and my bill is charged to me there every week all that summer up to that time.

Q. Will you swear you were not in Salt Lake from the 22d to the 31st May, 1870?—A. I will swear that I do not believe that I was.

Q. Will you swear that you were not?—A. I swear that I feel very positive that is my own belief.

Q. Will you swear that you were?—A. You have heard what I have to say on that subject.

Q. You have stated a conversation with Mr. Park about some articles published in the Mining Journal. Do you say that that conversation was after Mr. Fisher came there, and said that he had sold out all Park's and General Schenck's shares?—A. I had a conversation with Mr. Park previous to that, in reference to the first article.

Q. How about the second; was that after that conversation?—A. My conversation with Mr. Park as to the second article was at the very time and on the very occasion that Mr. Fisher came in with the broker's certificates, and laid them on the table, saying that he had sold out the stock at £30 per share.

Q. You understood that at that time Park had sold all his shares, did you?—A. That is what Fisher said on that occasion.

Q. Did you not swear in New York that Park told you that he had sold all his shares at about £25?—A. Mr. Park did tell me he had sold out all his shares, but the particular day he told me I don't remember, though it was not far from this time.

Q. What interest, then, did you understand Park had in keeping up the price of shares?—A. I believe he had a general interest in keeping up the price of shares of property that he had sold, particularly if he could get away. In reference to a conversation with Mr. Gager that I had, and which Mr. Gager denies, Mr. Johnson was present on that occasion, and I should like to have Mr. Johnson make a statement of that conversation.

HIRAM A. JOHNSON recalled.

The WITNESS. At the conversation referred to by Mr. Lyon with Mr. Gager, I was present at the Saint Nicholas Hotel. It occurred some weeks, or perhaps two months, before we appeared before this committee as witnesses in this investigation. By a coincidence I came into the hotel to call on Mr. Lyon just as Mr. Gager came in, and, not finding him in his room, I went into the sitting-room, and I had just met Mr.

Lyon, and we were walking toward the office in the hotel when we met Mr. Gager. Conversation then commenced about the sale of the Emma Mine, as Mr. Gager and Mr. Lyon had not met, I think, prior to that time, since their return from London. I did not wish to remain during the interview, as I had an engagement up town, and I called Mr. Lyon aside, and cautioned him not to engage in conversation with Mr. Gager, because whatever he might state would be repeated to Mr. Park. He said he would bear my caution in mind, and I remained there for some time, and until nearly the close of the conversation, as narrated by Mr. Lyon. During that conversation I heard Mr. Gager state that Mr. Park thought Mr. Stewart a dishonest man; that the difficulty that had arisen between Mr. Park and Mr. Lyon was altogether imputable to Mr. Stewart, and grew out of his dishonest dealings with Mr. Lyon, and he said to Mr. Lyon: "If I had been in London when this transaction occurred you would have been fairly dealt with by Mr. Stewart, and I so told Mr. Park;" and that Mr. Park had said: "I wish, Mr. Gager, you had been there to have insisted upon a fair adjustment." Up to the time that I had separated from Mr. Gager and Mr. Lyon, on that occasion, substantially the conversation as related by Mr. Lyon with Mr. Gager had occurred between them. I staid until near the close of the conversation. I remember that Mr. Gager said that Mr. Park had discovered that Warren Hussey was a scoundrel; that Warren Hussey owed Mr. Park, I think he said, $300,000, a very large sum of money, and he saw no probability of ever getting it out of him. During the month of December, 1871, being the same month in which General Schenck tendered his letter of resignation to the Emma Silver Mining Company, I was in daily communication with Mr. Lyon in London. I remember that we discussed the resignation of Mr. Schenck on many occasions during the month of December, and the causes that induced that resignation. I remember distinctly that Mr. Lyon, very shortly after seeing Mr. Park at the interview in which he showed him General Schenck's first letter of resignation, told me that he had read it, and that Mr. Park stated to him that that letter would not be sufficient; that it would not be such a letter as he desired, and that he would get a better letter of resignation. Subsequently Mr. Lyon narrated the fact of his having been shown another letter, and such a letter as was subsequently published as the official letter of resignation. My recollection is very distinct as to those two letters, because we were desirous to prejudge if possible the effect of his resignation upon the market, and I bore in mind the phraseology of both letters as narrated to me by Mr. Lyon until I saw the official letter of resignation in print, as published in the London Times on the 12th of January, as I now remember.

I wish to put in evidence these circular-letters issued by me to the shareholders in England, as referred to in my original evidence before the committee. The first, to which Mr. Park made reply, (as appears in the proceedings before the committee,) bears date April 20, 1872, in which I inclosed to the shareholders a printed copy of the contract made by Mr. Stewart, as the attorney of Park, with the New York shareholders on the 9th of September, 1871.

5 AUSTIN FRIARS, *London, E. C., April* 20, 1872.

To the shareholders of the Emma Silver Mining Company, limited :

I beg to inclose herein for your perusal a true copy of a contract, dated at New York, 9th December, 1871, made between the owners of the shares of the above-named company, as it was organized in New York, who became entitled to a corresponding interest in London on the transfer of the mine to the new company.

It will be observed that the contract was made subsequent to the original report by Professor Silliman, and at a period when the shares were selling on the London market at a considerable premium. Also, that it includes the names of Trenor W. Park and William M. Stewart, the two vendors, who are likewise directors; also the names of H. H. Baxter and Warren Hussey, the former a director, and the latter the company's manager at the mines. It will be seen that all the owners contract with Park to sell their shares at his option, for the period of twelve months, at the price of fifty dollars in United States currency per share, being less than ten pounds sterling, and that Park is thereby authorized to deduct from this price, pro rata, all moneys that he might be required to pay to the company for deficiency in the 2,800 tons of ore sold to the company by the vendors at the time of its organization.

It is further apparent, from the reading of the paragraph: "And whereas the said Park has contracted to pay, and has paid, large sums of money in selling the said shares, and has given his time, and proposes to give his time, in the sale of the shares until they are all disposed of," that Mr. Park's sole business in London is the sale of these shares at any price at or above ten pounds per share.

The terms and provisions of this contract do not compare well with the remarks of Mr. Park at the late shareholders' meeting, in which he stated that no director would sell his shares at the then existing prices, and they are in wide contrast with the newspaper report that Salt Lake orders are coming forward to buy the stock at a large premium.

If the manager at the mines, who was himself a large shareholder, and the American directors, together with all American shareholders, are willing to sell their shares with all accrued dividends at less than ten pounds per share, why should the English public, by newspaper manipulation, be induced to buy them at £20 and even at £30 per share?

Is it possible that we in England know the value of these shares better than Warren Hussey, who manages the mine, or H. H. Baxter, who supervises the shipments of ores for the company, or William M. Stewart, who accompanied Professor Silliman and Mr. Brydges-Willyams on their late visit to the mine? Such a supposition is simply preposterous. These suggestions, together with the contract, are respectfully submitted for your consideration.

Respectfully, yours,

HIRAM A. JOHNSON.

The next is a circular-letter to the shareholders, May 23, 1872.

By the CHAIRMAN:

Q. Are those referred to in your former testimony?—A. Yes; they were not at hand at the time, and I was advised by the committee that I might subsequently present them. It has been insisted here by General Schenck and his legal advisers that no letters or publications were made in London to tend to show the exhausted condition of the Emma Mine at the date of its sale until subsequent to the discovery of Mr. Stewart's letter to Mr. Lyon. That was found by Mr. Lyon in his trunk on his return to New York in 1874. As this circular went fully into that question, I submit it in evidence for the purpose of showing the fact that Professor Silliman's reports in that regard were questioned as early as May, 1872.

The WITNESS. I will now put in another circular-letter, bearing date London, May 23, 1872.

THE EMMA MINE.

5 AUSTIN FRIARS,
23d May, 1872.

Many letters, circulars, and reports have been recently written and published concerning the past, present, and probable future condition of this property, and the "exceptional" circumstances under which it came on to the London market.

Believing that the shareholders, as well as the public, are desirous of knowing the whole truth about this property, which can only be attained by presenting the different views of the question, I have deemed it proper to submit the following additional facts for their consideration.

The shareholders have received no less than three voluminous reports from the pen of Professor Silliman, in which he describes the mine as being one of great promise,

and in his late reports he congratulates them in their possessing a property on which such wonderful developments and discoveries are being made.

The professor's reports are attractively written, and calculated, without critical examination, to inspire confidence in the mind of the reader that all his promises and predictions will be strictly fulfilled.

Now, I propose to examine some of the prominent features of these reports to ascertain, if possible, whether the professor has been, in all respects, correct in his assertions and conclusions. He states, in his original report, bearing date 16th October, 1871, that "In the aggregate the amount of silver-ores removed from this great ore-chamber is about 25,000 tons, of which 8,000 are second class, and its money-value in silver and lead is stated at over three and a half millions of dollars."

He does not disclose the sources of his information, nor, indeed, does he positively assert either proposition, "about 25,000 tons, stated at over three and a half millions of dollars." It would have been far more satisfactory had he given the authority or data from which he derived these large quantities and values, and then have stated them with more precision.

But from whatever source he obtained his information, he was most wantonly and willfully deceived, for the mine *had not*, to that date, *produced* 25,000 *tons of ore, of the value of three million and a half of dollars.*

The mine was, in fact, discovered in 1868, and not in the year 1870, as stated, and it was vigorously worked from June, 1869, to the 1st day of August, 1871, and with only a small mining force from the latter date to the time of the making of the report, and during this period, including all productions, there had not been *taken from the mine more than* 10,000 *tons* of first-class ore, and the *total net yield* therefrom had not exceeded *one million dollars.*

I give these figures from unmistakable sources of information, and challenge contradiction.

The shareholders and the public have doubtless been misled by these untrue statements; they are material ones, because the past productions assist the mind in forming correct conclusions as to future capabilities, and the real value of the property.

We are now brought to another interesting and important part of the report, in which he states: "That, from the books of the secretary of the Emma Silver Company, I find the amount of ores now on hand, sacked and ready for shipment at Salt Lake Railroad depot, and those in transition from the mine to the railroad, is 2,500 tons, and that there is in the ore-house at the mine, and on the floors of the mine, ready to sack, of first-class ore, say, stated 300 tons."

It will be seen that these two quantities added, make 2,800, the number of tons sold to the London Company, and represented in the prospectus as being then in transit to London. I am glad that the professor, in this instance, gives his source of information —it was from the books of the secretary of the Emma Silver Mining Company that he ascertained these assumed facts.

I regret to say that the report in this respect is obviously incorrect. If the 2,500 tons had been actually in transit from the mine to London on the 16th day of last October, they would have arrived in the early days of December, at the latest; and as no such quantity did arrive, and a deficiency of 1,000 tons of the 2,800 is subsequently discovered, and a cash amount of £28,000 substituted in their stead by the vendors, it is useless for any person to contend that there were 2,800 tons of ore at or near the mine when this report was made. The professor, or even the secretary himself, would blush to read this portion of the report by the light of facts that have subsequently transpired.

We next come to that interesting and most prolific portion of the report, in which the "reserves" of mineral are stated in detail, and from which the professor, and those with whom he was co-operating, deduced and demonstrated on paper the prodigious value of the mine.

I am prepared to show that these estimates are far too high, and, consequently, that the mine was not in the condition to yield large quantities of ore, as represented by this report, and I think when I have concluded upon this branch of the subject, every honest, unbiassed reader will have concluded that Professor Silliman was in error in all his estimates of "reserves."

I confidently assert that he found the mine in such a deceptive condition that it became almost impossible for him to ascertain and report the truth.

From the first to the middle of August, the force at work had been reduced from about 100 to 14 men, and the present superintendent, or mining captain, who had been for years a personal friend of Mr. Park, celebrated on the Pacific coast as a manipulator of mines, was placed in charge, under peremptory orders that no person, excepting only the workmen actually employed, should thereafter be permitted to enter the mine without written authority, although the public had previously enjoyed free access for purposes of observation, and he was further instructed not to work the mine for the purpose of raising ores, but solely with reference to its sale, and in preparing it for

the observation of experts, who might be commissioned to examine and report on the same.

And Mr. Park, in the month of August, while in Utah examining the mine, and afterward in New York, in September, just prior to his departure for London, stated that *the mine was failing*, and that the *bodies of ore were being rapidly exhausted;* but that it would then sell for more than it was worth in England, on the reputation it had acquired there from the large shipments and sales of ores.

And Messrs. Park and Stewart, while conferring together before their departure from New York, on the terms and conditions that they would offer the mine for sale on their arrival in London, agreed and stated that, if an examination and report should become requisite to the proposed sale, Prof. B. Silliman should be chosen for that purpose, and Mr. Stewart declared, soon after his arrival in London, while in conversation respecting the proposed sale, that he should insist on the appointment of Silliman, instead of an English engineer, to examine and report on the mine. The terms and manner of Professor Silliman's employment must be unsatisfactory to any one who knows the facts. He was not chosen by the company proposing to purchase the property, but by the vendors; his pay was made largely contingent on the successful disposition of the property—five thousand dollars absolute, and *forty-five thousand dollars additional, if the sale went through.*

This accounts for the many extraordinary *bulling* interpolations that are interspersed throughout his reports, which point as directly to his interest in the sale of the mine as if they had been written or dictated by Mr. Park himself.

Then, again, the large "reserves" of mineral estimated by his report could not have been in the mine on the 16th of October last; for, if so, the company would have received at Liverpool up to May 1, a greater quantity than 2,652 tons, which are not equal to the reported accumulations at the railroad depot, at Salt Lake, at the date of the transfer of the property to the company. This is the only product from the mine that has been treated or sold in market from the entire working since September 1, as the accumulations of ore from that date were turned over to the new company. The months of September, October, November, December, and up to 10th of January, were most favorable periods to work the mine and move forward the ores, as up to the last-named date there had been no obstructions on the railroad by snow or otherwise. Now, is this greatly diminished product consistent with the estimate that there were 13,250 tons of first-class ore developed in various parts of the mine at the date of the report?

The obstruction of the railroad extended over a period of only six weeks. If the 13,250 tons of first-class ore were developed in various parts of the mine when the report was made, by the employment of a force of fifty miners, as many tons of ore could have been produced and raised to the surface per diem, and forwarded to England, which would have given 4,000 tons in Liverpool by the first day of March last, in addition to the 2,800 tons reported *in transit*. This result would have greatly facilitated the sale of the mine, and its auxiliary aid could not have been more clearly comprehended than by Messrs. Park and Stewart, the two active vendors. And if they had believed such a result possible, every available miner would have been placed in the mine, and thus they could have avoided the loss of £200,000, this being the sum paid by the vendors to secure the aid and co-operation of various parties, whose names and assistance were necessary to the organization of the company and the sale of the shares. Why did they diminish the force of workmen from 100 to 10 or 14 men as early as September? Can gentlemen reasonably expect that a mine will work itself, or that 14 men can raise 7,200 tons of ore per annum, equal to the payment of £180,000 in dividends, or discover by explorations such vast bodies of mineral in such a short space of time?

But one of the most extraordinary statements contained in the series of reports is the announcement that 8,000 tons of first-class ore had been discovered, which, by a singular coincidence, came by cable to London on the evening preceding the day in which the shareholders were invited to subscribe, and actually did subscribe, for 8,500 shares, at £23 per share. It subsequently transpires that this supposed discovery is in no wise connected with the Emma Mine; that it is located some hundreds of feet from the Emma development, and upon ground *adversely owned and held.* That, for all practical purposes, a development in the interior of China would have been quite as interesting to the shareholders of this company.

I do not question that quantities of ore will yet come forward, but the product must sink into utter insignificance when compared with the immense supplies that will be found requisite for the future wants of the company, as the entire product of the mine, from its discovery to the purchase by this company, worked much of the time with a large force, under the most favorable circumstances, is only equal to a little more than one year's dividend on the capital of the company.

It may be answered, that Professor Silliman's reports have been corroborated by Mr. Brydges-Willyams and the Hon. William M. Stewart, both directors, who accompanied him on his late visit to the mine. On this point, I will say that Mr. Willyams was employed and paid by Mr. Park for his examination and report; and that he received therefor £5,000 in cash.

I can establish the above proposition from declarations made by Mr. Park himself just before his departure for New York.

As to Mr. Stewart, he never had a shilling's interest in this mine, or its shares, until he, in co-operation with Mr. Park, had organized the London company, and caused the 25,000 shares to be sold by public subscription, and then, as by his agreement with Park, in consideration that he had become a director, *filled and performed other essential functions*, he received £30,000 cash, and a bonus of 2,000 shares; hence his readiness to concur in any and all reports that would assist in the favorable consummation of the business. As the vendors' shares are now sold, I have no doubt that he has received his promised commissions and brokerages, together with the cash for his shares sold, and that he will soon sever his connection with the company, and re-apply himself to his senatorial duties at Washington. I am informed that his resignation as a director, if not already tendered to the company, is nevertheless in London, and will soon be pressed for acceptance.

All the late reports upon this property, including the exaggerated statements of the newspaper press, have been procured by Mr. Park and others for the attainment of a single object—not to enable Mr. Park to *prove himself an honest man*, or that he *was not a rascal*, as he has repeatedly declared to the shareholders, *but to sell vendors' shares*. He stated at the shareholders' meeting, on the 8th instant, that he could well afford to pay for reports, if they were favorable, because they advanced the price of his shares.

Not a single fact or proposition submitted in the various circulars, in conflict with the company's reports and assurances, has been denied, except by Mr. Brydges-Willyams, in his letter to the chairman, read at the late shareholders' meeting, in which he advised the shareholders to allow *none of the lying reports* to frighten them into parting with their shares at a loss. This is, to my mind, a very cheap way of answering facts. It is now admitted that there was a deficiency of 1,000 tons in the 2,800 sold to the company; but it is not explained why the directors reported to the shareholders that this 1,000 tons was sold by the company, in Utah, for £28,000, when, in fact, the ores never existed, and the £28,000 was contributed *by the vendors* for such deficiency, and did not in any sense come from proceeds of ore sold. It is likewise a conceded fact that Mr. Warren Hussey, still the company's manager at the mines, and Messrs. Baxter and Stewart, have sold their original shares under the provisions of the contract with Park, of December 9, for less than £10 per share. And I have recently ascertained that two vendors, owners of very considerable quantities of stock, residing at or near Salt Lake, have within the past forty days sold their entire shares to Warren Hussey for £8 per share.

Forty-six thousand three hundred pounds cash was placed in the company's treasury by the vendors at the company's inception, and £28,000 subsequently came from the same source, which gives a total of £74,300 cash, independently contributed, and in no sense income from property; and now, at the end of the first six months of the company's fiscal existence, we are told that there is but £20,500 to the company's credit in bank, and yet we are asked to believe that the company is prosperous, and that it will shortly pay increased dividends. I think, however, that even the most sanguine believers have little hope that the dividend will be augmented in the immediate future, if, in fact, they believe they can ever be increased or even maintained at present rate.

We already hear of snow-blockades, inclement seasons, difficulties in freighting and treating the ores: these and kindred subterfuges invariably come to the ears of shareholders as an excuse for the short-comings of the company. There is no feature of a mine that admits of so much scientific elaboration under the pen of a professor as this attractive and yet most deceptive question of "reserves." It is a theme that affords the fullest scope to his imagination; *immense reserves* remove all financial restraints, swell the capital of the scheme to frightful proportions, and give promise of large dividends. Mr. Park and his associates would not care to come to this market with a mine that did not present this captivating feature, for in this they see their margin for "sundry pulls," which enables them to lubricate the great public "manipulating-machine" at every bearing, and thus secure their triumphant success.

I would like to inquire why the reports of Professor Silliman are published and widely distributed among the shareholders, while that of Professor Blake, who was likewise employed to examine and report on the mine, is suppressed, except a mere extract therefrom which appears in the prospectus? Why did not the promoters of this undertaking give the shareholders the benefit of Prof. R. W. Raymond's opinion of the mine? He is Commissioner of Mines for the United States Government, and, as such, inspected the property, and embodied his views in a letter communicated to the Mining Journal, of New York, in August last, in which, speaking of the mines of Little Cottonwood, he says: "The Emma, for instance, resembles in character the deposits at Eureka, Nevada, though less extensively exposed. All the mines appeared to be worked in such manner that it is impossible to say how long they will continue to be productive, there being little or no ground *opened* in advance of *actual extraction*. The Emma Mine is a *deposit inclosed in the limestone;* it seems to be lenticular in form, but no *careful explorations* have been made to *determine its extent*," and he adds that "the present possessors of the mine are evidently taking out ore as fast as possible; that

there are no well-defined walls, and the public estimate of the daily profits of the mine are much exaggerated." "As to its probable duration nothing can be said in the absence of proper explorations in the mine itself." The usual course in such cases is that the mine *weakens* long before it *really gives out*. "The stockholders rush from the topmost satisfaction to the bottommost depth of despair, and there is a *panic*. There is little *proof* now as to *the real extent of the Emma deposit*, beyond a few thousand tons actually in sight, or *supposed to exist* between *floors already opened*, and between the uppermost floor and the surface."

The reader will please compare the opinion of Professor Raymond on this mine and its condition, with respect to its development and reserves, as published in August last, who wrote from an *honest, independent stand-point*, with the opinion and extravagant report of Professor Silliman, who examined it, in the interest of parties desiring to sell the property, a few weeks later. The reports and opinions are in such wide contrast that comment seems unnecessary.

I know that the vendors of this property were in possession of the views of Professor Raymond before the organization of the company in London.

The report of Professor Blake is still in existence, and it will soon be published in this country.

The most convincing evidence against the prosperity and success of the enterprise during the first six months of the company's existence is made apparent in the fact that not a shilling of income had come to the bank-account of the company in London, for dividends or otherwise, during that period.

For proof of this fact I beg to submit the following:

From the ores accumulated at the railroad depot, sold by vendors to company, and set down in prospectus as then *in transit* to London, we have	£70,000
Cash contributed by vendors	46,300
Which gives a total of	116,300
From which deduct six dividends	90,000
And it leaves a balance from contributed capital of	26,300

Now, as this balance exceeds the amount of cash in bank by £5,800, as stated by the chairman at the last shareholders' meeting, it necessarily follows that no income-money had been realized to that date.

I need not call your attention to the inconsistent statements of the chairman, made at the various meetings, that the company would soon be in possession of £180,000 cash reserve, which would enable it to increase the dividends or pay a bonus. If such is the prospect, the affairs of the company must materially improve. If the produce from the mine had equaled the predictions of the promoters of the company, so many scientific reports and professional visitations would not have been necessary, and Professor Silliman would not have been detailed to Salt Lake, a distance of 2,700 miles from his residence, in midwinter, flanked by the gentlemen who accompanied him, to examine and report on the property so recently purchased and transferred to the company.

The English shareholders did not ask it, the company did not require it, or even pay for it; all this information, obtained under so many difficulties, came as a gratuity to the company from the long and liberal purse of Mr. Park. I am prepared to show that Mr. Park, immediately after the meeting at which Professor Silliman's report was read, became a free seller of the vendors' shares purchased under the December contract, and continued such sales until the shareholders' subscription for 8,500 shares at £23 closed out the entire 25,000 shares, together with the 5,000 shares which Mr. Park had previously stated belonged to Mr. Stewart.

It will be remembered that Mr. Park declared that Mr. Stewart was not inclined to part with his shares.

As the shareholders were invited to purchase the 8,500 shares for the purpose of obtaining a quotation on the Stock Exchange, they were doubtless astonished to learn that the quotation had been refused.

It will be remembered that the managers, in announcing the 8,500 shares for sale by subscription to the shareholders, stated that they had met with some difficulty in fixing so low a price as £23, in consequence of the recent developments of the mine.

HIRAM A. JOHNSON.

The WITNESS. I will now put in another circular-letter, bearing date London, July 8, 1872:

EMMA SILVER-MINING COMPANY, (LIMITED.)

As the directors have recently, from time to time, announced to the shareholders that they were endeavoring to ascertain the true condition of affairs in Utah, and that as soon as reliable information could be obtained the same should be communicated, I

have forborne the publication of late letters and dispatches, which establish the following facts, viz:

1. On the 1st day of June all productive mining ceased in the so-called Emma Mine.

2. On the 3d day of June the mine caved, and was filled with *débris* and water; and these facts were announced by telegraph through the Associated Press, and published in the New York World June 4.

3. On the 13th day of June the Illinois Tunnel Company, asserting in themselves the title to the mine, took possession thereof, and now hold the same.

4. On the evening of July 1, Messrs. Park, Stewart, and Stanley, three directors, accompanied by Hon. Luke Poland, lawyer, from Vermont, arrived in Salt Lake City.

5. On the 2d day of July an action was commenced by this company against the Illinois Tunnel Company, in the courts of Utah, to recover possession of the mine, and in aid of such action, pending the determination thereof, this company has applied to the court of chancery for an order to restrain the Illinois Tunnel Company from mining and removing ores, and the hearing on this application is set down for the 12th day of July instant.

Previous to the arrival of Messrs. Park, Stewart, and Stanley, Mr. Curtis J. Hillyer, lawyer, of Washington, had been dispatched to Salt Lake to prepare papers and institute the action aforesaid, as Messrs. Marshall & Carter, a leading law-firm there, who had previously been in the service of this company, as their resident lawyers, had been employed by the Tunnel Company.

Now, is it possible that the subjoined telegrams, received and published by the company, contain all the information that the directors are possessed of as to the true condition of the mine and its surroundings in Utah?

Are the directors still unadvised of the adverse claim of the Tunnel Company? Are they still in ignorance of the important fact that the mine was seized nearly a month ago, and has since been held against the claims of this company by armed resistance? Do they still doubt that the courts have been resorted to, and that actions are now pending? If they are still ignorant or doubting on any one of the above propositions, I would invite them to read the dispatch to the associated press of New York, published in the New York Times of the 16th June, received here several days since, by mail, which is conclusive of the adverse claim and holding by the Illinois Tunnel Company.

It will be remembered that the circulars, letters, and telegrams heretofore published by Mr. Lyon and the undersigned have met with the severest condemnation from some of the directors. Mr. Park cables from New York, under date June 10, "*Mine all right; Johnson's circular tissue of lies.*" Mr. Brydges-Willyams, in his letter to the shareholders, warns them not to believe the *lying reports*. The directors as a board, at least by implication, question the veracity of our dispatches, and yet at later dates confess that Mr. Lyon's telegrams brought the first information to them of the caving of the mine. We are condemned as *liars* and *rascals* at *one breath*, and quoted as authority the next, by this redoubtable board.

I call upon every intelligent shareholder to read the telegrams given below, in the order in which they were published, together with the monthly circular or report of 1st July.

These emanations, carefully considered together, to my mind establish one of two propositions—either that the directors here have been wantonly misled and deceived by their co-directors and agents in America, or that they as a board lack the necessary knowledge and discrimination to qualify them for the duties of the position that they occupy.

If the monthly report is to be taken as conclusive of the condition of the mine, the shareholders must believe themselves enriched by the *cave*, for, in the opinion of Professor Blake, as expressed in New York, 2,700 miles from the mine, "The cave indicated perfectly that the ore-body extended up to the *grass roots in immense bodies*, as the lime-rock formation (supposed to be heretofore) *could not cave*." The directors leave the shareholders to conjecture the name of the agent in New York who first became the repository of this important information, but it is to be presumed that it was the *immaculate Park* who received and communicated this marvelous opinion to the board, for I cannot conceive that any other person would have had either the audacity or the sublime impudence to have made such a communication to an intelligent board of directors in London.

Could he have supposed for a moment that such a vague opinion could obtain against the results of actual exploration for ore in the mine itself? or that it would be embodied as an *important fact* in the forthcoming financial report to the shareholders? It is, indeed, a new idea that *decomposed limestone formation*, with the natural supports removed, insufficiently shored or timbered up, cannot cave under the pressure and influence of floods of water; and mineralogists and engineers will be happy to realize so important a fact for their future guidance.

Will some shareholder or director who still confides in the *great future* of the *Emma Mine* have the kindness to inform me why it is that this *immense exposure* of ore has hitherto been unobserved? Nothing is said of it in the greatest financial *man-catcher*

of the age—the Emma prospectus. Even Professor Silliman, whose eye penetrates deep into the bowels of the earth, failed to make the discovery, though the ore subsequently appears to have been at the very grass-roots; and the *astute Park himself*, in all his speeches and letters, has been silent on this important fact, until his recent interview with Professor Blake in New York.

For the information of shareholders who have never visited Utah, and who know less of the particular ground overlying the Emma Mine than the writer, I will state that not a solitary blade of grass ever grew at that point, the surface being entirely covered with rock.

Various reports have been put in circulation for the purpose of raising doubts as to the genuineness and veracity of Mr. Lyon's telegrams, which have been received by him in London almost daily since the 6th of June, as well as to account for the want of corresponding information of a reliable character in the company itself. During all this period the wires, both land and submarine, have worked without a moment's interruption. Every inquiry addressed to Salt Lake by Mr. Lyon has brought a response within twenty-four hours. Then why were the directors unadvised of these important facts as they transpired, with two directors in New York, a third in Washington, and a resident manager at Salt Lake, to say nothing of the company's numerous agents and employés at Salt Lake and at the mine? Why did not information come from some one of these sources? But some scandal-monger says *the wires have been tampered with, Mr. Lyon has subsidized the telegraph company*, and hence no dispatches to the company. This is the very essence of nonsense, and no sensible man can entertain such an idea for a moment.

No sane-minded man can suppose for a moment that Mr. Lyon or any other person in London could "subsidize" or corrupt all or any one of the agents of the great lines over which these dispatches pass, either for the purpose of suppressing a truthful dispatch or obtaining a spurious and false one.

Facts have recently transpired which convince me beyond doubt that the information which should have been communicated to the board was carefully withheld by both the American directors and agents, for ulterior or selfish reasons, all of which will be plainly seen when the whole facts are ventilated to the shareholders.

It is well understood that Messrs. Lewis & Sons, of Liverpool, who are the consignees of the company's ore, have been in constant communication with Salt Lake, by telegraph, since the caving of the mine, and had knowledge of the occurrence in England as early as Mr. Lyon, from their agent in Salt Lake, and also had knowledge as early as Mr. Lyon of the possession of the mine by the Illinois Tunnel Company, and other parties in London have from time to time received telegrams and letters confirming Mr. Lyon's dispatches.

I earnestly hoped some time since that the necessity of further communications from me had ceased, but I am again compelled to crave the indulgence of the shareholders and the public. When I realize that I have been truthful in every word uttered, I cannot submit silently to accusations of falsehood; and as I give a reprint of the telegrams and reports of the company, appended to my letter, every reader can judge for himself whether my criticisms are just. I have told you in previous letters that you paid too high a price for your mine; that the *reserves of ore* were *overestimated*; that there was not 2,800 tons of ore at the mine, as stated in the prospectus; that there was not 1,000 tons sold in Utah as reported; that about £200,000 in cash had been disbursed in various ways to secure the sale of the shares to the British public. I have explained to you in detail the means that were employed to float this *stupendous scheme* on the London market.

I have informed you that the dividends, so attractive to shareholders while they last, came alone from capital account, from ores and moneys contributed by the vendors, who desired to sell their shares, and not from the net proceeds of the business. And from my circular of the 23d of May, in the unquestionable facts therein stated, it must appear that the dividend-paying power of the company is now nearly, if not entirely, exhausted, and since Mr. Park and his associate vendors have sold their shares, what other *philanthropists* are to turn up, with their money, to further amuse the shareholders with monthly dividends?

I re-affirm the truthfulness of all the statements I have communicated, and challenge contradiction; and I am happy to assure such of the former shareholders as have heeded the truth in this matter that such legal proceedings are to be instituted in the court of chancery here as will severely test the questionable conduct of some of the prime movers in the sale of the Emma Mine in London, and then the truth must prevail. If it shall then be ascertained that the company has earned the dividends so liberally handed over to the shareholders from month to month, leaving the company's capital account unimpaired, I shall glady admit that I have been in error in supposing that the money from which they were paid was contributed to induce the public to buy the shares.

HIRAM A. JOHNSON.

5 AUSTIN FRIARS, E. C.,
London, July 8.

The directors of the Emma Silver Mining Company (Limited) have issued the following circular:

VICTORIA BUILDINGS, QUEEN VICTORIA STREET,
London, 1*st July*, 1872.

In sending out warrant for the eighth interim monthly dividend, the directors have to express their extreme regret that the incidents of the past month have been mostly of an unfortunate character.

The telegrams published by Mr. Lyon were the first intimation the directors had of anything being wrong, and they declined to believe any of them, as they could not conceive it possible that such events could take place without their being informed at once.

They have now the knowledge that at least one message that was sent never arrived, and they strongly suspect that others have also been suppressed in some way which they do not yet understand.

During the time when Mr. Lyon was publishing the most sensational messages, the directors were kept entirely without the means of contradicting them, and their telegrams applying for information brought none, and the stock went down in price to an extent very far beyond what the directors then believed, and what it now turns out, the real state of matters warranted.

The directors are now in possession of information that is perfectly reliable, and while it shows that the rapid melting of an unprecedented quantity of snow on the hill above has flooded a great part of the mine and caused serious damage, they are assured that the damage is of a very temporary character, and that when it is overcome the mine will appear richer than ever, as Professor Blake has expressed to the company's agent at New York his opinion that "the cave indicated perfectly that the ore-body extended up to the grass-roots in immense bodies, as the lime-rock formation (supposed to be heretofore) *could not cave*."

Mr. Hussey had at once proceeded to New York to consult with the other American directors, and Mr. Park, after that consultation, writes, on the 14th June, that the tunnel and main shaft are uninjured, and that, in his opinion, the whole cost of restoring the mine to its former good state would be considerably less than two shillings per share, and that in thirty days they expected to be getting out a fair quantity of ore.

It is worthy of special remark that neither the letters nor telegrams received (including that from the mine on the 24th, in which are the words, "water rapidly decreasing") mention any disturbance at the mine, or adverse claim affecting the company, and the directors are again assured from New York that the title is perfect.

When the telegraph failed them, the directors endeavored to get messages through private sources, but these also brought nothing, and they were obliged to fall back on slower though surer means of getting it. Mr. Stanley, one of the board, had gone to America in the beginning of the month on a pleasure-tour. Advantage was taken of that circumstance to get him to go to the mine, which he has done, as well as Messrs. Stewart and Park, and the shareholders may rely that, with three directors at the mine, nothing that is possible will be left undone to bring about the speedy resumption of ore-shipments.

The directors have to congratulate the shareholders on the fact that the committees of the Glasgow and Manchester Stock Exchanges have unanimously agreed to grant the company settlement and quotation. The rules on those exchanges are identical with the London one. Shareholders would do well, when they do not transact their business on those exchanges, where they have the protection of an official quotation, at least to see these quotations when they are dealing in the stock.

The directors have also much pleasure in informing the shareholders that Sir Henry Selwin Ibbetson, Bart., M. P., who has been from the beginning a large shareholder, and whose business abilities and character are well known, has joined the board.

The ore-account stands as follows: Stated in last circular, 5,840 tons. Nothing raised in mine, the telegram of seventh June having contained an error in the cipher. Dispatched by railway in June, 330 tons. Shipped from New York in June, per Algeria, 120 tons; per Parthia, 190 tons; total, 310 tons.

By order:
(Signed) W. H. TOOKE,
Secretary.

Published in Mining World, 8th June.

The following is a statement of the ores raised and dispatched during May: First-class ore stated in last circular, 5,180 tons; raised at the mine during May, 660 tons—5,840 tons. Dispatched from mine during May, 500 tons. Shipped from New York during May, per Algeria, (since arrived,) 140 tons; per Parthia, (since arrived,) 10 tons; per Calabria, 220 tons—370 tons. The cañon road has been, up to last advices, almost impassable, but it is expected that larger quantities of ore will be dispatched during June.

Appeared in Standard, 14th June.

The subjoined notice was forwarded by the Emma Mining Company late this afternoon. It will be perceived the telegram bears no date, a serious omission, and a correction ought to be supplied. The directors, it is stated, are doing all they can to communicate with the mine, but through the state of the weather and the impassable position of the cañon road it is expected some difficulty will be experienced. Immediately they receive further intelligence it is said they will make it known:

[This telegram, delivered in error to the Ebbw Vale Company, should have been published yesterday, and only reached the Emma office at 4 p. m. the 13th instant.]

"The Emma Silver Mining Company, Limited, have this day received advice by telegram of the shipment of 50 tons of ore. Raised first and second-class ore 530 tons this week; 90 tons at railway and depot; 640 tons raised first-class at mine. Cañon road impassable. Mine in bad working-order temporarily from leakage (surface?) water; slight cave.

"W. H. TOOKE, *Secretary.*

"LONDON, 13*th June*, 1872."

Published in Standard, 18th June.

Late this afternoon the following was received from the Emma mining office;

The Emma board have received no intelligence upon which they can rely. They have received one telegram, which they have reason to suspect to be fictitious; it runs as follows: "Illinois Tunnel Company have taken armed possession of mine. Must take legal measures to dispossess them." The following telegram has been addressed to Mr. Willyams: "Mine full of water, from melting snow; cannot estimate damages; hope they are light; probably take three months to repair." This telegram is not in cipher, and the directors doubt its authenticity, and are taking steps to obtain reliable intelligence.

By order:

W. H. TOOKE, *Secretary.*

Standard, 21st June.

"The telegram received by this company this morning bears the telegraph company's stamp of this day, 20th June, 1872. No telegram from mine to the company, has ever borne the date of dispatch.

"The following telegram, partly in cipher, has been received this morning from the company's manager of the mine at Salt Lake. The directors have confidence in it: —'Shipped since last telegram, first-class ore, 60 tons; raised first and second class ore, none; 30 tons at railway depot; 640 tons first-class ore at mine. Still working; water decreasing. Letters explain fully.—HUSSEY.' It will be observed that no reference whatever is made to any disturbance at the mine, or any possession, or even claim adverse to the company."

Standard, 25th June.

Subjoined is from the Emma Silver Mining Company, Limited:

"The directors have no direct telegram from the mine, but they have a message from their New York agent as follows: 'One hundred and ninety tons shipped per Parthia; Park, Stewart, Stanley, Utah next Wednesday. Shipments will resume sooner than expected.' The directors have to-day letters giving an account of the flooding by water from the melting snow, which seems at the time to have been serious; but as the snow was nearly gone it was expected the water would subside, as subsequent telgrams have shown to be the case. The shareholders may rely that, with three directors at the mine, every possible step will be taken to resume shipments on a large scale as quickly as possible. Mr. Stanley had gone to America on a pleasure-tour, and the directors had wired him to go at once to the mine, which he has done. The directors at their meeting to-day declared their usual monthly dividend at the rate of 18 per cent. per annum.

"By order:

"W. H. TOOKE,
"*Secretary.*

"JUNE 24."

Standard, 26th June.

The annexed is from the Emma Silver Mining Company, Limited, who have this day received advice by telegram of the shipment of 30 tons of ore, first class: "Raised first or second-class ore this week, nothing; at railway-station, nothing; in the ore-house, 100 tons first-class ore; on the mine-floors, 540 tons first-class ore. Water decreasing rapidly.

"W. T. TOOKE,
"*Secretary.*"

Standard, 28th June.

The Emma Silver Mining Company, Limited, have this day received the following telegram from the manager of the mine: "Shipped 330 tons. Raised 60 tons first-class ore; raised 30 tons second-class ore, (since 27th May.) No ore at railway-station; 640 tons first-class ore at mine. Mine improving. Signed Hussey." That part of the telegram referring to the raising and shipping of ore has already been published.

Published by Company, 3d July.

EMMA SILVER MINING COMPANY, VICTORIA BUILDING,
Queen Victoria Street.

The following telegram has been received this morning from Salt Lake:

"Nothing forwarded since last telegram; no first and second-class ore raised this week. Twenty tons first-class ore at railway station; 600 tons first-class ore at mine. One foot snow fallen. Cañon road bad. Re-assuring reports from Silas Williams.

"STANLEY."

The above is the usual weekly telegram from Salt Lake, with Mr. Stanley's signature, showing his arrival in that city.

The WITNESS. I will state further, for the information of the committee, that the firm of Duncan & Co., and Routh & Co., bankers and brokers, in or near Throckmorton street, London, were the principal brokers known to be dealing in Emma shares in London. They were termed "bull" brokers; they were executing large orders for Mr. Fisher, General Schenck, and others, as I was then informed. On two occasions English gentlemen came to my office, at No. 5 Austin Friars, and announced the fact that General Schenck was calling at the offices of these brokers, in Throckmorton street, in the city of London, with his carriage; and on one occasion, to satisfy a doubt that I had that such was the case, I went over and saw General Schenck come out of the office of Duncan & Co., or Routh & Co.; which of these offices he came from I do not remember. This occurred at a time of great excitement in the stock, and when the stock was very much depressed, as a rapid decline had preceded this period that I now speak of. I saw General Schenck come out, and I know that his presence there was recognized as an evidence that he was a "bull" of the shares, and, as I was a "bear" of the shares at the time, I recognized his presence there in a semi-official capacity as absolutely out of place and in the highest degree prejudicial to my dealings in that stock. I know it was generally known on the stock exchange and commented upon by brokers that were dealing in those shares that his presence there was for the purpose of giving effect to the "bull" movement in the stock or for the purpose of preventing further depression in the price.

Q. Did Mr. Lyon, at the time he mentioned to you about these two letters of General Schenck's, mention Mr. Park having either written or dictated the final letter?—A. He stated to me that he thought from what Mr. Park told him that Mr. Park intended to write the letter that he might express the views that he had with regard to General Schenck's resignation; and apropos of that suggestion I will state here that I saw a letter of Mr. Tooke, the secretary of the company, written just subsequent to the resignation of General Schenck, in which Mr. Tooke took the view that Mr. Park expressed to Lyon that the letter of resignation, couched in the terms that had been written and presented, expressing, as it did, on the part of General Schenck the fullest confidence in the mine and in his associate directors, was a better indorsement of the mine than for General Schenck to have remained a director without such a letter. Mr. Tooke took that view in a letter written to a shareholder, which

letter I saw. The shareholder had been complaining about it, and this letter was written to him to indicate that instead of complaining he ought to regard that letter of resignation of General Schenck as a greater aid to the company and as a greater stimulant to the price of the shares than for General Schenck to have remained a director and not written this letter. I know that the character of the letter was emphasized by the shareholder on account of the high character that General Schenck gave to the mine and to the directors.

By Mr. CHITTENDEN:

Q. Where is the office of Mr. Routh?—A. I cannot tell whether on Throckmorton street or Threadneedle street. I cannot carry the location of these offices in my mind. I saw them very frequently when I was there, and could go to them if I were in London, but I cannot carry the exact topography of the street in my mind.

Q. Do you know that Mr. Routh's office is in a court leading out of Throckmorton street, and directly adjoining the stock-exchange?—A. It may be in Angell Court, or in some of those courts.

Q. You have been to his office, have you not?—A. I have been, sir.

Q. Do you not remember that it is in a court just out of Throckmorton street?—A. I do not remember whether it is in a court or outside.

Q. How far from Throckmorton is Threadneedle street?—A It forks, as I remember. The two streets radiate from each other at a point near the Bank of England. Threadneedle and Throckmorton streets are very close together, if they do not run into each other; that is, at a given point they are in a very close proximity, as I remember.

Q. From the stock-exchange how far is it to Threadneedle by the shortest way you can get at it?—A. Only a short distance; I can't measure the feet.

Q. Is it not three or four squares?—A. It might be, because the streets diverge. It is at a point of divergence in that locality; it might be three or four very short squares.

Q. Where is the office of Duncan & Co.?—A. That I do not know; that is the reason I cannot recollect whether it was Duncan & Co. or Routh & Co.

Q. Then you do not know where their office is?—A. I did know at the time, but I cannot locate it now; still, it is in that neighborhood, very close to the exchange.

Q. Is it not in Threadneedle street?—A. It would be my impression that it is; but I cannot say positively.

Q. At what time was it, as near as you can state, that you saw General Schenck coming out of one of these offices?—A. I should think June or July of 1872, but I cannot fix the month exactly.

Q. You say it was in reference to some great fall in the stock?—A. Yes; and I should say it was in June, July, or August.

Q. That is as near as you can fix it?—A. I cannot swear positively as to the time. I cannot say when this decline took place; but it was about the time that a marked decline took place in Emma shares.

Q. Did you hear any conversation with General Schenck?—A. None whatever. I saw him come out and take his carriage from this office.

Q. And from that you inferred and made it a matter of conversation that he was a "bull" of Emma shares?—A. No; I knew that he was a "bull" of Emma shares before he went there. I did not infer that he was a bull from that; but I inferred that he was there for the purpose of stimulating the price of the shares, if only by his presence.

Q. You say you knew he was a "bull" of Emma shares before that?—A. Yes; I knew it from common report.

Q. Tell the committee what you knew on that subject.—A. I knew it from common report, and from statements that Mr. Lyon had made to me and Mr. Fisher, who was dealing in those shares for him with General Schenck; it was a common report that he was a buyer and a seller of these shares, and a dealer in them. I did not regard my information as positive, but it was understood in the stock-exchange. I can say that with entire safety—that it was understood in the stock-exchange that General Schenck was "bulling" Emma shares, and was a large loser from shares that he had bought in the market, which had declined. While London is a very large city, I discovered that in its financial affairs everything centers about the Bank of England, and financial transactions of any magnitude cannot be kept in the dark as they are in New York.

Adjourned.

WASHINGTON, D. C., *May* 4, 1876.

ROBERT C. SCHENCK recalled.

Mr. CHITTENDEN. In your absence yesterday, certain testimony was given by Mr. Johnson. The reporters' notes are not yet written out and I am not able to procure the testimony. In substance it was this, That hearing from two English gentlemen that you had been seen, during a time of considerable excitement in Emma shares, at the office of certain brokers in London, whom he designated as bull-brokers in Emma shares, in order to verify that he went himself, saw your carriage in front of the office of one of those brokers, and saw you come out of the office of either Routh & Co. or Duncan & Reed, the names of those brokers; that your presence there was discussed and talked about on the London exchange, and remarked upon as a very improper thing for the American minister to do. Is that statement true, and do you wish to make any statement about it?

Mr. SCHENCK. The whole statement is utterly false. I do not know any brokers by the name of Duncan & Reed, and I do not know the broker, Routh. I never have been in the office of either of those firms. I never have been in the office of a broker in the city of London in my life. I have been at the offices of a number of bankers at different times, such as Jay Cooke, McCulloch & Co., Morton, Rose & Co., the Baring Brothers, the Seligmans, and perhaps two or three others. To my knowledge I have never been in the city of London in my carriage alone, (that is, in my own proper carriage,) except when going to Guildhall or the Lord Mayor's on some public occasion. When I had occasion to go to the city, I have been disinclined to take the only carriage that I kept in London, (a large family carriage;) and my family has not wished me to do it, because it is a bad place for a large carriage in the narrow streets of the city, and I have taken a cab or brougham or hansom—usually a hansom. So far, therefore, as that statement is concerned, I pronounce it an unmitigated falsehood; and I further say that it is such a falsehood as that I cannot conceive that it has any element of fact on which to stand. It is false in its length, in its breadth, in its statement, and in its implication.

Mr. CHITTENDEN. Mr. Johnson indicated this as being at a time when there was a fall in the shares of Emma stock, in June or July or August, (he expressed it.) I suppose he meant 1872. It is in evidence that after the cave in the mine, there was a fall in those shares, and that the cave took place some time in June; did you have any deal-

ings in shares at that time, or was there anything else on which to found that statement?

Mr. SCHENCK. There was nothing at all on which to found any such statement.

Mr. CHITTENDEN. Do I understand you to say that you do not know Mr. Routh or his firm, or Duncan or his firm?

Mr. SCHENCK. To my recollection, I have never seen or known any person connected with either of those firms. I have no recollection of any acquaintance with either of them. I have not been in any such offices.

The CHAIRMAN. Have you any further statement to make to the committee?

Mr. SCHENCK. I have not heard any of that testimony yesterday. Being compelled to go away, I was not present when it was given. I only heard this morning from Mr. Chittenden that there was one part of the testimony to which my attention should be called, and this I understand to be it. I have nothing else to say.

WASHINGTON, D. C., *May* 4, 1876.

T. W. PARK recalled.

Mr. CHITTENDEN. I desire to call your attention to certain points in the testimony of Mr. Johnson and Mr. Lyon, given yesterday, which I understand to be new. Mr. Lyon produced two articles here yesterday, which he said were published in the Mining Journal or the Mining World, and he repeated a conversation which he said took place between yourself and Mr. Fisher, in his presence, in which you stated that Mr. Grant was about preparing one of those articles, and that at Mr. Fisher's request you consented that Mr. Fisher should do it; that afterward you told Mr. Lyon, in substance, that the insertion of that article cost you £500 and a call of 250 shares of stock, for which you got the article in, and received 1,500 copies of the paper containing it; is that statement true?

The WITNESS. There isn't a word of truth in it. I never prepared an article, or caused one to be prepared, for any paper during the time I was in London. I never paid a penny for the publication of any article in any paper during the time I was in London. I never gave a call to any one in consideration of any publication in any paper during the time I was in London. I never told Mr. Lyon that I had done so, because it would have been a falsehood if I had told him so. I never had any conversation with Mr. Fisher of that kind in Mr. Lyon's presence or without Mr. Lyon's presence, nor did I ever have any conversation of that kind with Mr. Lyon. I issued a circular myself over my own signature, had it published, and sent to the shareholders. Mr. Fisher took it upon himself to put this circular in envelopes in his office, and to send it to the shareholders, having been furnished with a list of the shareholders by the secretary of the company, as there was not the clerical force in the office of the company to do it. That was the nearest that comes to this statement. Afterward, or before, there was a publication in the Mining Journal, or in the Mining World, of the proceedings of one of the shareholders' meetings, which has been put in evidence here. I have forgotten whether it was the first one that occurred in March, or the second one that occurred in May, but it was one of them. Mr. Fisher procured a sufficient number of

copies of the paper, and sent one to each shareholder. Mr. Fisher made a claim on Mr. Grant, (not on me, because I never paid any of the expenses,) and he was given a call of 275 shares of stock at par, in consideration of the expense that he had been at, and the labor in sending out this circular of mine, and sending out these copies of either the Mining Journal or the Mining World that contained the proceedings of either the first or second stockholders' meeting. That was settled with Mr. Grant, and is embraced in my account. I am credited with 275 shares, and Mr. Grant charges no commission. That was the only item which, directly or indirectly, to my knowledge, was paid by anybody, either by Mr. Grant or myself, for any publication except what Mr. Grant may have paid for regular advertisements. He paid, as I understood him, a large sum for the advertisement of the prospectus, but that had nothing to do with it. This other story is all made up out of the whole cloth. There isn't a word of truth in it.

Mr. CHITTENDEN. Mr. Lyon further stated that on this occasion, when he heard the conversation between you and Fisher, Mr. Fisher came into your room and said to you, in substance, "I have sold all my stock, and all yours, and all General Schenck's;" that you were somewhat impatient, and asked him how much he had sold for you, to which he replied 900 shares, and that you then said that he had sold 300 shares too much. Did you have any such conversation with Mr. Fisher?

The WITNESS. I did not. Never anything of that kind happened. Therefore I could not have had any conversation of that kind with him.

Mr. CHITTENDEN. Mr. Lyon further detailed at some length the circumstances of his intimacy with you in London. He said that he was the only person allowed to enter your rooms without sending in a card, and that on one occasion, when he took some slight offense and staid away for a day or two, you sent for him, and that when he came you begged of him not to take offense again, but to stand by you, or something of that sort. Is that true?

The WITNESS. It is not. I never sent for Mr. Lyon in my life to come to my room, and I think I have detailed to the committee sufficient facts as to my relations with Mr. Lyon to satisfy the committee that I am to be believed when I say that he was not on any such terms of intimacy as he has represented. He did call frequently at my rooms. He never had ingress to my rooms day or night, and never came in any differently from what other people did. He never had the *entrée* different from others. I was suspicious of him from the first, knowing that he was bearing the stock in violation to what he talked. I learned that early, and I called Mr. Gager's attention to it, and asked Mr. Gager to be a witness to questions which I would put to Mr. Lyon as to stories which he had put in circulation in regard to General Schenck, Professor Silliman, and others, and Mr. Gager was present and made a note of the conversation, as he has testified here. These were my relations with Mr. Lyon.

By Mr. MONROE:

Q. State to the committee what was the object generally of these interviews with Lyon.—A. Mr. Lyon, in the first place, (as I stated to the committee in my direct examination,) asked Mr. Stewart to come and vouch for him; that he would play fair with me, and that he would do anything he could to help me after Mr. Stewart left, when I was in ill health. Mr. Lyon said he would be faithful, and would run errands for me, and said that I might help him in posting and advising him as to the market. He said that he wanted to go long in the stock, and that he believed that money was to be made in it. Mr. Lyon did come there,

and I told him what the public knew and what the company knew and what I knew in regard to the Emma Mine. I very soon learned that instead of going long on the stock, as he said he did, he was on the short side. I did not turn him out of my room, but there were no secrets confided to him.

Q. Did he express any solicitude in regard to the injury to our national reputation from having this stock put upon the English market?—A. Not a word.

Q. Did he tell you that he feared it would be a national calamity?—A. Not a word. He is the last man who would have any feeling for the honor of the nation, if he could only make money.

Q. Did he say that he had any apprehension that General Schenck would injure his own reputation, or that of his country?—A. Never a word of that kind. That is all made out of the whole cloth.

Q. Did there ever develop to you in any conversation, or in any manner of his, any apparent solicitude lest English subjects should be imposed upon and ruined by having this stock put upon the market?—A. Never in the least; never in the remotest manner. When I called his attention to what I had heard in the city as coming from Hiram A. Johnson, he told me that he had no connection with Johnson. I told him that I was informed that he had a desk in Johnson's office, and that these cards to bear the market, containing these libels on General Schenck and myself and others, came from Lyon, and that he had instructed Johnson to issue them, and it was in consequence of that that I called Mr. Gager's attention to the fact, and told him that I knew that Lyon was at the bottom of it. I had learned that Lyon made his headquarters at Mr. Johnson's office, and I told Mr. Gager that I would ask Lyon these questions when he came in, and asked Mr. Gager to make a note of it.

Q. Did not Mr. Lyon sometimes speak about the Emma Mine being exhausted, and that it would probably not yield any more?—A. Never to me. I never heard a word of it until I heard it in his testimony. I never heard of the Emma Mine being exhausted from any man living. I never admitted it myself. I never heard it from Mr. Lyon. I never heard it from any one who had examined the mine, either expert or miner, during the time I had it, or for long after I sold it; and I so believed in it, that eight months after I sold it, and after twelve monthly dividends had been paid, I offered to purchase the mine back at the full price I had received for it.

Q. Was the object of these vists of Lyon's the recovery of what was coming to him?—A. Only of one of them. I think that the object of Mr. Lyon's visits was to find out from me what I was doing with my stock, to know how I was operating on the market; and my reason for believing that is that he came once in the month of April and told me that now was the time for me to sell my stock. I had then sold all that I intended to sell, as I have stated before, and then he told me for the first time that he was short on the stock.

Q. Mr. Lyon testifies to your having paid him a certain amount of money in liquidation of his claim against Mr. Stewart. Was that settlement with him made early in your intercourse or toward the close of it?—A. Toward the close of it.

Q. May not his visits have had reference to bringing that to a successful issue?—A. If they had, he never spoke of it.

Q. With whom did he talk about his claim on Stewart?—A. I never heard of it until he came in at that time. That was, I should judge, as late as April, and I refused to pay him the money until after I had left England, and the payment was made by Mr. Gager after I left.

By Mr. CHITTENDEN:

Q. State whether in that discharge, or that settlement, there was any reference had to claims which Lyon professed to have against former owners of the mine.—A. No, sir; he made the claim against Mr. Stewart. I instructed Mr. Gager not to pay Lyon until he executed three papers, which I instructed Mr. Phelps to draw up; one of them a release to the Emma Silver-Mining Company of London of all claims he might have against that company; another a release to Mr. Stewart of every claim of any nature that he might have against him, and the third a release to the former owners, so as to cut off all claims he had against every one. I instructed Mr. Phelps to draw up these papers, and then I instructed Mr. Gager not to pay the money to Lyon unless he executed these papers, and all three of the papers were executed, and Mr. Gager paid the money to him after I left.

Q. State whether you have ever seen two different letters of resignation of General Schenck as a director of the Emma Mining Company?—A. I have answered that before, by saying that I cannot recollect whether I saw the first draught which General Schenck exhibited here, and then afterward his letter of resignation—whether I saw them both or saw but one of them.

Q. Did you have any part whatever in the preparation of his letter of resignation?—A. None, except a suggestion.

Q. What was that?—A. I think I made the suggestion to General Schenck, as I said before, that his letter of resignation should state the true ground of his resigning, so that the inference should not be drawn by the public that he had resigned by reason of dissatisfaction with the property or of his dissatisfaction with the management or with his associates; that his letter of resignation should be clear and explicit on that point, knowing, as I did, that his letter of resignation was purely on the ground of the charges made against him here and in England—criticisms as to his connection with the matter, and that it was not for the reason of any want of faith in the property or any want of confidence in his associates. Then I have an impression that in the draught of a letter which he showed me, or else in a conversation as to what his letter would be, he stated (or else the draught stated) that the shares which he had originally purchased he intended to hold, and that I suggested to him that that might seem to imply that he had got always to hold them, that he might want to sell them, and that he had better not put it so strong as that; and that phrase was modified by saying "which shares I now hold," instead of saying "which shares I intend to hold." That was in consequence of my suggestion, but every word in the composition of the letter is General Schenck's, or somebody else's other than mine.

Q. A copy of General Schenck's letter of resignation, including the signature, has been presented here in your handwriting. Was that copy prepared by you as the original draught of his resignation?—A. I have stated explicitly before that it was not. Not a single word in the composition is mine. There are words in that letter which I never used, except it were in copying.

By Mr. BANKS:

Q. Have you any recollection of when and where you made that copy?—A. No, sir; I have no recollection at all about it. I recollect that after General Schenck's letter of resignation was received by the board of directors, on the 6th of December, it was laid on the table. In England, these things are not required to be published, and they are not usually

published; but in this particular case, there being so much talk about it, the directors afterward, in the month of January, did publish it. During that time I had applications to know for what reason General Schenck had resigned. It was talked by the bears that he had resigned because of his dissatifaction with the property, that he had found that the mine was a shell and was worked out, according to these rumors in circulation. I remember Mr. Fisher being very tenacious and anxious about it, and coming to me. The only solution in my mind is that while the letter of resignation was in the office of the company, I may have made a copy of it to satisfy somebody, but I have no recollection about it.

Q. Had it been printed at that time?—A. It was not printed. The copy is in my handwriting.

Q. What is the impression on your mind as to whether you copied it before or after it was presented to the directors?—A. I must have copied it after it was presented to the board of directors.

Q. Did you see it before?—A. I think I did. General Schenck thinks that he sent it by me; but I think that he did not. He may have done so, and I may have handed it to Mr. Anderson. Mr. Anderson presented it to the board.

Q. Are you positive that you did not copy it before it was presented?—A. I would not swear positively, because I have no recollection of it. If General Schenck did give it to me as an open letter to carry to Mr. Anderson, I may have copied it.

By Mr. MONROE:

Q. You are prepared to swear that it is in your handwriting?—A. Yes, the whole of it, interlineations and all.

Q. You swear that the interlineations are yours also?—A. Undoubtedly.

Q. What do you say as to the statement of Lyon that you declared to him that you would get a better letter out of General Schenck?—A. I say that it is false.

By Mr. HEWITT:

Q. Did General Schenck proceed to correct his draught in your presence after you made this suggestion to him?—A. I think not in my presence. He may have taken up a pen and done it in my presence, but it is impossible for me to say whether he did or not; whether he did it then or took it to his own house and did it; I do not recollect.

Q. And you state positively that the original draught made by General Schenck was not in your room, and was not shown to Mr. Lyon?—A. I swear that Mr. Lyon did not see it in my room unless he was there at the time that General Schenck was, and unless General Schenck showed it to him and me at the same time.

Q. Did the consultation with General Schenck take place in your room or his?—A. I should think probably in my room. I was only at his house on general reception nights. I do not know of any time that I was there to talk business with him. I was there generally at his receptions.

Q. Did you have more than one consultation with him about the letter?—A. I do not recollect more than one, and my recollection is quite indistinct about that; but I must have seen the first draught, because otherwise I should not have made any suggestions to him. General Schenck seems to think that he sent his amended letter by me to the board of directors, but I have no recollection of it.

Q. Did General Schenck advise with you in relation to the purchase

of the 500 shares of stock which he did purchase and deposit with Jay Cooke, McCulloch & Co.?—A. No, sir.

Q. Did he advise with you after he made the purchase?—A. Yes. General Schenck and General Woodhull came into my room while I was still in bed the next day after the purchase was made. I presume it was 9 o'clock. They were then on their way down to the office. General Schenck seemed quite anxious, and said to me as they came into the room, "Mr. Park, General Woodhull yesterday bought 500 shares of Emma at 31 or 31½, or something like that, and I want to see what you think about it." I said, "I think you made a mistake. The shares have already advanced over 50 per cent., which makes the property seven and a half millions of dollars instead of five millions, and I do not think that it is prudent to make a purchase at that price. While I believe that the property is improving in value, and that it will ultimately go beyond that price, I think it an unsafe operation to make, as all mining operations are, to a certain extent, hazardous and problematical." General Woodhull spoke up and said, "What would you advise me to do?" I said, "I would advise you to sell out, if you can do so without loss." "Well," said he, "shall I do it with a loss, if the market is not so high." I said, "Yes, I would stand a loss of five shillings a share on it. I think that the shares have gone up too rapidly, (they had gone up from 20 to 31½,) and, while I believe they will go higher in the end, I would not advise you to make so large a purchase as that at that rate and hold it." They left my room on that advice, and I did not know until some days afterward but that they did sell out on that day. I afterward learned from General Woodhull that he went down intending to act on my advice, but that he found that the market had gone down, and thought it would pick up again, and he ultimately lost a large sum on it.

Q. How do you reconcile this advice which you gave to them with the opinion which you expressed to the shareholders, that the stock was cheap at £40 a share?—A. For this reason: General Schenck was purchasing on credit 500 shares of stock, which cost $75,000 in gold, and any break in the stock he could not afford to stand. I thought it too hazardous for him to engage in; and while I bought shares myself for 30, I would not advise him to do it, although I believed, from the report that we got before I left London, that the shares would go to 75. I would not advise a man who had not money to enable him to hold the stock to purchase on as rapid an advance as there had been.

Q. In your statement to Coates & Hankey, on page 468, there is an item of the value of the ore on hand, showing a balance of £46,399 profit. I suppose that that is the £46,300 which is stated in the prospectus?—A. Yes, sir; it is the same thing. When I made the sale of the mine, the ore was unsold in England, and I made the sale of the mine with the ore on hand. Pending the negotiation, the sale of the ore on hand made in London and in transit on the ocean was made. The value was estimated to be £46,399. You must remember that I made the sale verbally to Coates & Hankey in September; that it was not closed up finally until the first of December; and in the mean time the ore had been sold and the moneys remitted to the New York company. Therefore I made that money good by giving back £46,300 in lieu of the ore which we had sold.

Q. Then the £46,300 paid into the treasury of the company was paid out of the profits of the ore sold?—A. Yes, sir; it came as a substitute for the ore which we had sold.

Q. I am under the impression that you testified that that money was

with Jay Cooke, McCulloch & Co., the bankers of the Emma Company.—A. When we came to close the sale, I borrowed £45,000 from Grant and deposited it with Jay Cooke, McCulloch & Co., and then I drew on them for the £46,300 in favor of the company, to enable the company to make its first dividend in December, which was before I received my money, and when I received my money I refunded the £45,000 to Baron Grant, from whom I had borrowed it.

Q. Then you say that the profits of that ore were, in fact, remitted to New York?—A. Yes; between the time of the sale and the time of its being finally closed up.

Q. Do you recollect through whom you usually made remittances at that time?—A. Through Jay Cooke, McCulloch & Co. The money was deposited with Jay Cooke, McCulloch & Co. to the credit of Leonard, Sheldon & Foster, of New York. They sold their exchange on Jay Cooke, McCulloch & Co. in New York, and paid the money over to the New York company. We had appointed Leonard, Sheldon & Foster, bankers of New York, our financial agents. They directed the money to be paid in to Jay Cooke, McCulloch & Co. to their credit, and when we wanted the money they sold their exchange on Jay Cooke, McCulloch & Co. and gave us the money.

Q. Was that money divided among the shareholders when it came to New York?—A. That matter never has been settled.

Q. How much money is there besides the £46,300 in that condition of unsettlement?—A. The whole business is unsettled. There was a dividend of $250,000 made by the New York company, which was paid. As to the balance of the funds, there never has been any settlement yet. They were not settled for reasons which I can give you. I had a bill in equity brought against me, and General Baxter, in London, by Mr. Davis, claiming a share of the purchase which we made of the first half of the mine. Davis prayed for an injunction and a receiver. We had a hearing in London. I was called on as a witness, and was examined as to all these disbursements. I was examined in open court, with three or four hundred of the shareholders present, as to this whole transaction of the sale. The motion for an injunction and a receiver was denied by the chancellor. Then they got an order from the chancellor's clerk, in the name of the chancellor, to serve on General Baxter and bring him into court. That order was afterward, on the motion of our counsel, set aside, and an appeal was taken to the lord-chancellor, who affirmed the decision, and then, I being in court, my counsel advised me that we should make no settlement until after that suit was disposed of, because until a settlement was made they could not call me to an account, as the lord-chancellor decided.

Q. Did your purchase of these shares in New York carry with it the dividend and accrued profits?—A. Not the dividend; only what remained undivided.

By Mr. MONROE:

Q. How do you explain the interlineations in the copy of General Schenck's letter? What is your theory of them?—A. I cannot explain them, because I have no recollection of ever writing that copy; only that I know it is in my handwriting. I can only give the natural explanation that I had inadvertently copied a couple of words wrong, and that I corrected them afterward. That would be my theory.

By Mr. CHITTENDEN:

Q. I now place in your hands a letter written by you to Mr. Fisher

on the 15th of December, 1871, which has been put in evidence. It reads as follows, [reading:]

MY DEAR MR. FISHER: In a conversation with Grant to-day, he said he had given Coates a check for £10,000, and that he, Coates, claimed a large sum for committee on subscriptions. I thought best to give you this information, that you might get your portion before the thing gets "cold."

You will not mention my name.

Very truly, yours,

T. W. PARK.

Please make any statement about it that you desire. What did that refer to?—A. It referred to Fisher's proportion of the commission paid by Grant to Coates & Hankey. He wanted me to learn about it, which I did, and I wrote him that note.

By Mr. SPRINGER:

Q. You stated that you borrowed this £46,000 from Albert Grant. What was the date of that transaction?—A. The 1st of December, 1871.

Q. State when you returned it to him.—A. The 4th of December.

Q. In what way did you return it to him?—A. I was paid £400,000, as purchase-money for the mine, on the 4th of December, and I paid Mr. Grant out of that.

Q. How much other money, if any, did you borrow from Grant at that time?—A. My account shows £2,000 that I borrowed from him for personal expenses, and then the £45,000 which I returned to him.

Q. Can you explain why you borrowed £2,000 for personal expenses in December, 1871?—A. Yes; I had a large family traveling in Europe, buying a little jewelry and other matters. My wife spent most of it, I suppose.

Q. Did you draw any on your home account?—A. No, sir; not at that time.

Q. You stated in relation to Mr. Lyon's testimony as to sending out copies of the Mining Journal or the Mining World, that Mr. Fisher was sending a circular, which you wrote, to the shareholders of the Emma Mining Company in London. Is that the circular found on page 81?—A. Yes, sir.

Q. Were any copies of a newspaper circulated with that circular?—A. I think not.

Q. You said that that circular was sent out at the time you sent out the proceedings of the first stockholders' meeting?—A. No, sir; at a different time.

Q. Who sent the paper containing the proceedings of that stockholders' meeting?—A. I think that Mr. Fisher did.

Q. Did you send out any other circular?—A. I think not. I think that that is the only circular I ever sent out.

Q. On page 549 there is a letter from you which is published as a supplement to the Mining World?—A. That was after I got home here.

Q. Was that circulated through the Mining World by Mr. Fisher?—A. No, sir; but by the company. I demanded, as an act of justice to me, that they should give my letter the same publication as they had given their own proceedings, and in the same paper, and they did so.

Q. The shareholders' meeting was held on the 7th of March, 1872. It was the minutes of that meeting which you had sent out by Mr. Fisher?—A. I do not know whether it was that meeting or the one in May.

Q. State when it was that you gave Mr. Fisher a call on shares of Emma stock?—A. I have no recollection of the date, but I should think it must have been somewhere about the 1st of April.

Q. Can you recur to your account with Albert Grant to ascertain it?

—A. I have not the account here; but the account does not give the date.

Q. It puts it down on the 16th of April.—A. Yes; but that was merely making up all these things. They had been all given before that.

Q. Did not some of the profits of the transaction go to Fisher?—A. Yes, the profits on the 275 shares; he paid par for them.

Q. What did he sell them at?—A. I do not know, because I do not know when he sold them. If he sold them at one time, he sold them at par; if at another time, he sold them above par; and if at another time, he sold them below par. I think he held these shares, or others, until he sold them below par.

By Mr. HEWITT:

Q. Was this dividend of $250,000, which was made by the New York Company, the only dividend that that company made?—A. Yes, sir.

Q. Can you name some sum that still remains undivided?—A. I cannot tell you. I have purposely avoided looking at the papers for the reason that I want to say, if called upon, that there has been no account settled between us, and I never have examined the books.

Q. The £46,000 that you sent home was paid out in the $250,000 dividend?—A. No, sir; the £46,000 was sent home after the dividend was made.

Q. Was it used in paying the dividend?—A. No, sir.

Q. Was it used to replace money that was borrowed to pay the dividend?—A. No, sir; there was no money borrowed to pay the dividend.

Q. Then that £46,000 is still on hand?—A. No; we had lawyers' fees and other bills to pay when we came to close up. Professor Silliman was paid out of it for making his report, and all the other expenses on this side were paid by General Baxter out of the fund which he had on hand.

Q. After paying the dividend, you had, in round figures, £100,000, which ought to be somewhere; where is it?—A. I have told you that I have not looked at the accounts purposely, and I do not want to do it.

By Mr. SPRINGER:

Q. Where are the books of the Emma Mining Company, of New York, in which the entries are to be found?—A. They are in New York.

Q. In whose custody?—A. In mine.

Q. Can you produce the accounts of shipment of ore on the Union Pacific Railroad?—A. Yes, sir; I think so, for the whole time. I do not know whether they are on the books of the Emma Mining Company of New York, but they are on the books of the Union Pacific Railroad Company. You can find out in three ways—from the books of the Cunard Steamship Company, of the Union Pacific Railroad Company, and from these accounts that are in evidence.

Q. Did you cause any of the proceeds of that £46,000 to be transmitted to New York by cable?—A. No, sir.

By Mr. CHITTENDEN:

Q. Lyon, in his testimony, yesterday, stated, "Park told me he had offered Mr. Stewart $50,000 to 'throw' me in the lawsuit, by way of showing that Stewart was a different man to what he had supposed—because he would not take that $50,000. I said to him, 'Is that what you call an honest man? You think he is honest because he would not take $50,000 in such a case as that.' Said I, 'Is that what you call square, Mr. Park?' 'Well,' he said, 'you know, Lyon, that that is a common

thing in lawsuits in America. I will admit that it is not morally hon est.'" Did you have any such conversation as that with Lyon?—A. Not a word of it, and nothing to make it up out of. I never offered Mr. Stewart $50,000. I never told anybody that I did. I never had any reason to suppose that any bribe would reach him. I never had any occasion to bribe him if it would have done it.

Q. Mr. Lyon says further, "I saw the account sales of Albert Grant with him, and I saw a letter of Albert Grant's to him in which he says, 'If the mine is as good as you say it is—(and he had underscored those words.) Mr. Park said to me, when reading that letter, 'Lyon, he evidently does not think that the mine is as good as I say it is.' Mr. Grant wanted the stock put on the market at twenty-four, and Mr. Park told me afterward that Albert Grant said to him he was going to make him the handsomest present of a silver set that one gentleman ever made to another.' Did you have any such conversation as that?—A. I did not.

Q. Did you ever hear anything said about a silver set in that connection?—A. Nothing at all. I never had any such present nor any such talk.

Q. Mr. Lyon swore yesterday that he had met you or had some communication with you in Rufus Hatch's office, in New York, in connection with which he brought in in some way the Mariposa Mine, and some plan for extracting gold. I want to know whether there is anything true in that?—A. Not a word.

Q. Mr. Lyon swears as follows: "In 1865, I think, Mr. Park and David A. Gage, of Chicago, were dealing in Mariposa stock. Gage was a partner of mine at that time, and some considerable sensation was created in Mariposa stock by the discovery, as it was supposed, of a new process, called the acid process, for extracting gold from the ores. Gage came to me, as I had had some experience in the matter of handling ores, and asked me what I thought about it. I told him that I thought it was a fraud; that it would turn out to be so; that I didn't have any faith in it. He wanted me to go with him to the Fifth Avenue Hotel to see Mr. Park, and we went up there together and talked about it. I told them it was all a fraud and a humbug, and that they could not do anything with it. That was the occasion when Mr. Park saw me for the first time." In the first place, I want to know whether you and Mr. Gage had any transaction in Mariposa stock, or whether you and he were shareholders in the stock at any time.—A. I do not know his business. I never had any transaction or account with him.

Q. Did you have anything to do with Mr. Lyon in the matter?—A. I have no recollection of ever seeing Mr. Lyon until I was introduced to him in 1871 by Mr. Hawk, the proprietor of the Saint Nicholas Hotel, where we were both stopping.

Q. Mr. Lyon further testifies, "The next time that Mr. Park saw me was in the office of Rufus Hatch, on Broad street, New York. I had gone there to see Mr. Park at the request of Mr. Stewart, as Mr. Stewart wanted to go to England, and did not want to be annoyed with a lawsuit before his return. Mr. Park did not recognize me on that occasion, as he had not seen me for so long a time previously. I told him that I had some papers in my room, and that I thought he would like to see them." Did you have any interview with Lyon at Rufus Hatch's office?—A. No, sir. My first interview with him was at the Saint Nicholas Hotel, at the time he told me that he had some papers in his room which he wanted me to see.

Q. Is there any other statement that you wish to make?—A. I wish

to say before I close, that in the sale of this mine, so far as I have had any knowledge, information, or belief, (and I say it on my oath, knowing what I am saying,) there was no fraud, no deception, no concealment, no sharp practice, no anything that was dishonorable; that I have withheld nothing that bears on the subject of this investigation as to General Schenck's connection with it, or as to the integrity of the sale; that the only testimony which I have been able to see that contradicts this, is that of Mr. Lyon, and it is for the committee to decide whether my action during all that time corresponds with the statements which Lyon swears I made. It is for the committee to say whether my relations with him were such as that, among all the parties with whom I was dealing, he should be the only one whom I took to my bosom, and to whom I unfolded all my secrets. At the time when he says I told him that the mine was worked out, and that there was but $250,000 in it, I was buying it incumbered with lawsuits at the rate of a million and a half of dollars, and I afterwards purchased largely in it at the rate of $5,000,000. Mr. Hewitt was mistaken in suggesting that when I offered to buy the mine back, the stock was above par. At the time that the letter was received in England, the stock was above par, but at the time I wrote it was below par. That I had that confidence in the mine is shown by my acts. I have it still; I believe that the mine is worth as much as it ever was, less the amount of ore taken out. There has been from 18,000 to 20,000 tons of ore, worth $2,000,000, taken out of it since Mr. Lyon says that I told him it was a shell, and that there was only $250,000 of ore in it. If there has been anything dishonorable in the sale of this mine on the English market, or in any way connected with it on the part of the vendors, it is without my knowledge. If any member of the committee believes Mr. Lyon's statement as to my admission, against the evidence produced here, I would be very glad to produce just as many witnesses from all parts of the country as will satisfy the committee that Mr. Lyon is unworthy of belief; and I am advised further that no reputable man can be found, who has known James E. Lyon for the last ten years, who will come before this committee and sustain his character. I say this in justice to myself. I went to the Isthmus of Panama for my health, intending to remain there until this time, but when I heard of this investigation I hurried back. I saw a statement in Havana of Mr. Lyon's testimony before this committee, and I telegraphed to Senator Edmunds to communicate to the committee that I was on my way home, and I would take the first steamer. I have withheld nothing from the committee bearing, in the remotest manner, upon the question in the investigation; and if ever there was a fair sale made, or if ever I made a fair transaction, or one with which all parties with whom I dealt were satisfied, it was the sale of the Emma Mine. If the Emma Mine has "petered out," as the saying is, it is one of those casualties which usually happen to mines against the judgment of the best informed; but I am just as firm in my belief now as I was at the time I purchased the mine, and at the time I sold it, of its great value.

The CHAIRMAN. I understand now that this testimony is closed.

Mr. CHITTENDEN. I understand that memorials from Utah have been introduced in the House of Representatives and have been referred to this committee. I think that as part of the history of this case these memorials should go on the record, and we ask that they shall go on it.

The CHAIRMAN. The committee will decide upon that question.

ES E. LYON recalled.

ve one word to say in self-defense, if I may be allowed, with ref-
e to my character; and I wish to say it under oath. Mr. Park has
hat he can find so many gentlemen to come here and swear that
not to be believed under oath, and that I cannot find any respect-
nan that will come here and swear that he has known me for the
n years, and that I am to be believed under oath. In defense, I can
at very same thing of Trenor W. Park. I can bring parties from
rancisco, from Bennington, Vt., and from the city of New York. I
been informed by various parties that I can introduce testimony
t character against him, a multitude of it; and I believe that if I
an opportunity to defend my statements by subpœnaing witnesses
ringing them here, I can do so, though I believe the committee has
against that. As Mr. Park was allowed to make his statement,
atter of privilege, under oath, I wish to make this statement in
to myself.

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